

**SinoPac Financial Holdings Company  
Limited and Subsidiaries**

**Consolidated Financial Statements for the  
Six Months Ended June 30, 2024 and 2023 and  
Independent Auditors' Report**

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
SinoPac Financial Holdings Company Limited

### **Opinion**

We have audited the accompanying consolidated financial statements of SinoPac Financial Holdings Company Limited and its subsidiaries (collectively referred to as the Group), which comprise the consolidated balance sheets as of June 30, 2024, December 31, 2023 and June 30, 2023, and the related consolidated statements of comprehensive income for the three months ended June 30, 2024 and 2023, six months ended June 30, 2024 and 2023, and changes in equity and cash flows for the six months ended June 30, 2024 and 2023, and the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2024, December 31, 2023 and June 30, 2023, and its consolidated financial performance for the three months ended June 30, 2024 and 2023, and their consolidated financial performance and cash flows for the six months ended June 30, 2024 and 2023 in conformity with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, Regulations Governing the Preparation of Financial Reports by Securities Issuers, the guidelines issued by the competent authority, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the six months ended June 30, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Group's consolidated financial statements for the six months ended June 30, 2024 are stated as follows:

#### Estimated Impairment of Discounts and Loans

The management assesses, estimates and recognizes impairment of discounts and loans collectively at the higher amount determined according to the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans ("the Procedures") endorsed by the Financial Supervisory Commission (FSC) and according to International Financial Reporting Standard 9 Financial Instruments ("IFRS 9"). According to the Procedures, the management estimates the impairment of discounts and loans based on the overdue loans classified by loan term and the situation of pledged collateral. According to IFRS 9, impairment of discounts and loans is estimated based on assumptions of probability of default and loss given default based on historical experience, current market situation and forward-looking information. Assessment of evidence of probable default and credit impairment, whether the credit risk has increased significantly since the original recognition (including the adoption of forward-looking factors), and the assessment of the methodology and assumptions used for estimating impairment and the estimation of the amount and timing of future cash flows require critical judgments and estimates. The estimated provision for impairment of discounts and loans calculated according to either the Procedures or IFRS 9 has a significant impact on the consolidated financial statements. Therefore, the estimation of impairment of discounts and loans is identified as a key audit matter for the six months ended June 30, 2024.

Refer to Notes 4, 5 and 49(c) to the accompanying consolidated financial statements for the relevant accounting policies, judgments for estimations, estimation uncertainty and other related disclosures of the estimated impairment of discounts and loans.

Our key audit procedures performed with respect of the above area included the following:

We understood and assessed management's impairment assessment practices, accounting policies and related internal control procedures for discounts and loans and evaluated whether the classification of loan assets complied with the Procedures. In addition, we evaluated whether overdue loans, situation of pledged collateral, and the provision for impairment of discounts and loans complied with the related regulations issued by the authorities. We also evaluated whether the methodology, assumptions and inputs used in the impairment assessment conform to the IFRS 9 impairment model and appropriately reflected the actual outcome. We tested samples of discounts and loans to verify their rationality.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, Regulations Governing the Preparation of Financial Reports by Securities Issuers, the guidelines issued by the competent authority, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the six months ended June 30, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Yi-Chun Wu and Jr-Shian Ke.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

August 23, 2024

#### Notice to Readers

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

*For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*

**SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES**
**CONSOLIDATED BALANCE SHEETS**  
(In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2024		December 31, 2023		June 30, 2023	
	Amount	%	Amount	%	Amount	%
CASH AND CASH EQUIVALENTS, NET (Notes 4, 6 and 45)	\$ 38,216,227	1	\$ 30,644,456	1	\$ 33,995,589	1
DUE FROM THE CENTRAL BANK AND CALL LOANS TO BANKS, NET (Notes 7 and 45)	147,356,594	5	184,050,320	7	225,089,275	9
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8, 14 and 45)	170,082,591	6	149,883,920	5	138,926,263	5
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Notes 4, 9, 45 and 46)	398,745,100	14	374,874,958	14	332,854,445	12
INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST (Notes 4, 10, 45 and 46)	310,057,984	10	303,546,679	11	273,843,137	10
SECURITIES PURCHASED UNDER RESELL AGREEMENTS (Notes 4, 11 and 45)	80,950,804	3	77,919,383	3	69,442,639	3
RECEIVABLES, NET (Notes 4, 12 and 45)	171,967,636	6	128,711,892	5	116,633,718	4
CURRENT INCOME TAX ASSETS (Notes 4, 33 and 45)	527,860	-	269,417	-	445,466	-
DISCOUNTS AND LOANS, NET (Notes 4, 5, 13, 45 and 46)	1,524,333,598	52	1,423,468,362	51	1,406,460,553	52
INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (Notes 4 and 15)	1,089,459	-	1,016,351	-	1,069,802	-
OTHER FINANCIAL ASSETS, NET (Notes 4, 16, 45 and 46)	55,301,539	2	44,463,965	2	48,422,822	2
INVESTMENT PROPERTY, NET (Notes 4, 17, 45 and 46)	2,157,438	-	2,267,321	-	2,384,428	-
PROPERTY AND EQUIPMENT, NET (Notes 4, 17, 18, 45 and 46)	13,388,820	-	13,248,648	-	13,127,355	1
RIGHT-OF-USE ASSETS, NET (Notes 4, 19, 45 and 46)	3,986,449	-	3,720,343	-	3,722,409	-
INTANGIBLE ASSETS, NET (Notes 4, 20 and 45)	2,393,705	-	2,442,924	-	2,401,012	-
DEFERRED INCOME TAX ASSETS (Notes 4 and 33)	2,472,122	-	2,404,567	-	2,056,668	-
OTHER ASSETS, NET (Notes 4, 21 and 45)	<u>31,187,166</u>	<u>1</u>	<u>28,558,041</u>	<u>1</u>	<u>24,265,905</u>	<u>1</u>
<b>TOTAL</b>	<b><u>\$ 2,954,215,092</u></b>	<b><u>100</u></b>	<b><u>\$ 2,771,491,547</u></b>	<b><u>100</u></b>	<b><u>\$ 2,695,141,486</u></b>	<b><u>100</u></b>
<b>LIABILITIES AND EQUITY</b>						
DEPOSITS FROM THE CENTRAL BANK AND BANKS (Notes 22 and 45)	\$ 76,415,629	3	\$ 115,708,086	4	\$ 81,971,322	3
DUE TO THE CENTRAL BANK AND BANKS	2,850,865	-	2,760,676	-	-	-
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8 and 45)	73,249,531	3	76,270,123	3	67,499,085	2
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS (Notes 4, 8, 9, 10, 11 and 23)	93,514,895	3	68,718,702	2	68,603,141	3
COMMERCIAL PAPERS ISSUED, NET (Notes 24 and 45)	71,379,958	2	54,048,045	2	41,573,029	2
PAYABLES (Notes 4, 25, 30, 41 and 45)	94,751,933	3	60,180,459	2	65,749,750	2
CURRENT INCOME TAX LIABILITIES (Notes 4, 33 and 45)	3,429,576	-	1,973,105	-	2,172,566	-
DEPOSITS AND REMITTANCES (Notes 26 and 45)	2,143,397,350	73	2,018,978,249	73	2,008,435,601	75
BONDS PAYABLE (Notes 4, 27 and 45)	68,479,903	2	71,827,113	3	71,244,936	3
SHORT-TERM BORROWINGS (Notes 28 and 46)	10,962,247	-	7,886,511	-	6,776,043	-
LONG-TERM BORROWINGS (Notes 28, 45 and 46)	3,104,801	-	122,000	-	978,121	-
PREFERRED STOCK LIABILITIES (Notes 4 and 34)	18,437	-	18,437	-	18,437	-
PROVISIONS (Notes 4, 29 and 30)	3,113,897	-	3,409,253	-	3,020,460	-
OTHER FINANCIAL LIABILITIES (Notes 4, 31 and 45)	95,753,125	3	79,418,632	3	85,284,347	3
LEASE LIABILITIES (Notes 4, 19 and 45)	3,523,430	-	3,243,653	-	3,218,260	-
DEFERRED INCOME TAX LIABILITIES (Notes 4 and 33)	1,732,549	-	1,627,403	-	1,537,547	-
OTHER LIABILITIES (Notes 4, 32 and 45)	<u>14,605,036</u>	<u>1</u>	<u>16,965,144</u>	<u>1</u>	<u>14,024,492</u>	<u>1</u>
Total liabilities	<u>2,760,283,162</u>	<u>93</u>	<u>2,583,155,591</u>	<u>93</u>	<u>2,522,107,137</u>	<u>94</u>
<b>EQUITY</b>						
Capital stock						
Common stock	123,764,399	5	123,764,399	5	121,337,646	4
Stock dividends to be distributed	<u>3,094,110</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,426,753</u>	<u>-</u>
Total capital stock	<u>126,858,509</u>	<u>5</u>	<u>123,764,399</u>	<u>5</u>	<u>123,764,399</u>	<u>4</u>
Capital surplus	<u>6,129,361</u>	<u>-</u>	<u>6,129,361</u>	<u>-</u>	<u>6,129,361</u>	<u>-</u>
Retained earnings						
Legal reserve	25,867,291	1	23,751,851	1	23,751,851	1
Special reserve	5,641,534	-	14,684,030	-	14,684,030	1
Unappropriated earnings	<u>35,552,901</u>	<u>1</u>	<u>25,164,031</u>	<u>1</u>	<u>14,128,651</u>	<u>-</u>
Total retained earnings	<u>67,061,726</u>	<u>2</u>	<u>63,599,912</u>	<u>2</u>	<u>52,564,532</u>	<u>2</u>
Other equity	<u>(6,117,666)</u>	<u>-</u>	<u>(5,157,716)</u>	<u>-</u>	<u>(9,423,943)</u>	<u>-</u>
Total equity	<u>193,931,930</u>	<u>7</u>	<u>188,335,956</u>	<u>7</u>	<u>173,034,349</u>	<u>6</u>
<b>TOTAL</b>	<b><u>\$ 2,954,215,092</u></b>	<b><u>100</u></b>	<b><u>\$ 2,771,491,547</u></b>	<b><u>100</u></b>	<b><u>\$ 2,695,141,486</u></b>	<b><u>100</u></b>

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

# SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
INTEREST INCOME	\$ 20,812,735	129	\$ 18,486,193	135	\$ 40,391,193	123	\$ 36,385,986	137
INTEREST EXPENSES	<u>(14,687,027)</u>	<u>(91)</u>	<u>(12,322,149)</u>	<u>(90)</u>	<u>(28,534,812)</u>	<u>(87)</u>	<u>(23,910,538)</u>	<u>(90)</u>
NET INTEREST REVENUE (Notes 4, 35 and 45)	<u>6,125,708</u>	<u>38</u>	<u>6,164,044</u>	<u>45</u>	<u>11,856,381</u>	<u>36</u>	<u>12,475,448</u>	<u>47</u>
NET REVENUES OTHER THAN INTEREST (Note 4)								
Service fee and commissions income, net (Notes 36 and 45)	4,951,568	31	3,835,877	28	10,711,685	33	7,426,505	28
Gains on financial assets and liabilities at fair value through profit or loss, net (Notes 37 and 45)	4,313,725	27	2,832,615	21	9,570,369	29	5,158,204	20
Realized gains on financial assets at fair value through other comprehensive income (Notes 38 and 45)	443,947	3	734,447	5	780,246	2	837,485	3
Gains arising from derecognition of financial assets measured at amortized cost	18,111	-	10,268	-	32,985	-	23,158	-
Foreign exchange gains (losses), net	34,672	-	(185,824)	(1)	(640,489)	(2)	(1,996)	-
(Impairment loss on assets) reversal of impairment loss on assets (Notes 9, 10, 16, 21 and 39)	(50,370)	(1)	60,786	-	(18,761)	-	81,533	-
Share of profit of associates for using equity method (Note 15)	17,277	-	40,580	-	47,960	-	88,008	-
Net other revenue other than interest income (Notes 40 and 45)	<u>273,082</u>	<u>2</u>	<u>257,445</u>	<u>2</u>	<u>538,323</u>	<u>2</u>	<u>480,007</u>	<u>2</u>
Net revenues other than interest	<u>10,002,012</u>	<u>62</u>	<u>7,586,194</u>	<u>55</u>	<u>21,022,318</u>	<u>64</u>	<u>14,092,904</u>	<u>53</u>
NET REVENUE	<u>16,127,720</u>	<u>100</u>	<u>13,750,238</u>	<u>100</u>	<u>32,878,699</u>	<u>100</u>	<u>26,568,352</u>	<u>100</u>
BAD DEBTS EXPENSE, COMMITMENT AND GUARANTEE LIABILITY PROVISION (Notes 4, 5, 6, 7, 12, 13, 16 and 29)	<u>(903,132)</u>	<u>(6)</u>	<u>(478,694)</u>	<u>(4)</u>	<u>(1,517,100)</u>	<u>(5)</u>	<u>(910,494)</u>	<u>(3)</u>
OPERATING EXPENSES								
Employee benefits expenses (Notes 4, 30, 41 and 45)	(5,371,446)	(33)	(4,541,627)	(33)	(10,769,225)	(32)	(9,050,104)	(34)
Depreciation and amortization expense (Notes 4, 17, 18, 19, 20 and 42)	(627,901)	(4)	(585,536)	(4)	(1,242,859)	(4)	(1,162,138)	(5)
Other general and administrative expenses (Notes 43 and 45)	<u>(2,228,218)</u>	<u>(14)</u>	<u>(1,948,539)</u>	<u>(14)</u>	<u>(4,195,700)</u>	<u>(13)</u>	<u>(3,724,132)</u>	<u>(14)</u>
Total operating expenses	<u>(8,227,565)</u>	<u>(51)</u>	<u>(7,075,702)</u>	<u>(51)</u>	<u>(16,207,784)</u>	<u>(49)</u>	<u>(13,936,374)</u>	<u>(53)</u>

(Continued)

# SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
PROFIT FROM CONTINUING OPERATIONS BEFORE TAX	\$ 6,997,023	43	\$ 6,195,842	45	\$ 15,153,815	46	\$ 11,721,484	44
INCOME TAX EXPENSE (Notes 4 and 33)	<u>(1,722,767)</u>	<u>(11)</u>	<u>(844,895)</u>	<u>(6)</u>	<u>(2,968,446)</u>	<u>(9)</u>	<u>(1,621,980)</u>	<u>(6)</u>
NET INCOME	<u>5,274,256</u>	<u>32</u>	<u>5,350,947</u>	<u>39</u>	<u>12,185,369</u>	<u>37</u>	<u>10,099,504</u>	<u>38</u>
OTHER COMPREHENSIVE INCOME (Note 4)								
Items that will not be reclassified to profit or loss								
Change in fair value of financial liability attributable to change in credit risk of liability (Notes 8 and 34)	716	-	4,882	-	14,889	-	(498)	-
Revaluation gains on investments in equity instruments measured at fair value through other comprehensive income (Note 34)	1,989,251	12	1,600,412	12	4,389,647	13	3,927,048	15
Income tax related to items that will not be reclassified to profit or loss (Notes 33 and 34)	<u>(9,373)</u>	<u>-</u>	<u>(872)</u>	<u>-</u>	<u>(9,442)</u>	<u>-</u>	<u>(4,396)</u>	<u>-</u>
Items that will not be reclassified to profit or loss	<u>1,980,594</u>	<u>12</u>	<u>1,604,422</u>	<u>12</u>	<u>4,395,094</u>	<u>13</u>	<u>3,922,154</u>	<u>15</u>
Items that will be reclassified to profit or loss								
Exchange differences on translation of foreign operations (Note 34)	216,896	1	(297,758)	(2)	747,232	2	(300,200)	(1)
(Losses) gains from investments in debt instruments measured at fair value through other comprehensive income (Note 34)	(1,365,073)	(8)	(135,173)	(1)	(2,267,181)	(7)	1,142,736	4
Share of other comprehensive loss of associates accounted for using equity method (Notes 15 and 34)	(968)	-	(3,544)	-	(4,161)	-	(2,577)	-
Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Notes 33 and 34)	<u>(59,559)</u>	<u>-</u>	<u>34,579</u>	<u>-</u>	<u>(178,049)</u>	<u>-</u>	<u>33,674</u>	<u>-</u>
Items that will be reclassified to profit or loss	<u>(1,208,704)</u>	<u>(7)</u>	<u>(401,896)</u>	<u>(3)</u>	<u>(1,702,159)</u>	<u>(5)</u>	<u>873,633</u>	<u>3</u>
Other comprehensive income	<u>771,890</u>	<u>5</u>	<u>1,202,526</u>	<u>9</u>	<u>2,692,935</u>	<u>8</u>	<u>4,795,787</u>	<u>18</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 6,046,146</u>	<u>37</u>	<u>\$ 6,553,473</u>	<u>48</u>	<u>\$ 14,878,304</u>	<u>45</u>	<u>\$ 14,895,291</u>	<u>56</u>
EARNINGS PER SHARE (Note 44)								
Basic	<u>\$ 0.43</u>		<u>\$ 0.43</u>		<u>\$ 0.98</u>		<u>\$ 0.84</u>	
Diluted	<u>\$ 0.43</u>		<u>\$ 0.43</u>		<u>\$ 0.98</u>		<u>\$ 0.84</u>	

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

(Concluded)



**SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES**

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

	Capital Stock (Note 34)			Capital Surplus (Notes 4 and 34)	Retained Earnings (Notes 9 and 34)				Other Equity (Notes 4, 9 and 34)			Total	Total Equity
	Common Stock	Stock Dividends to Be Distributed	Total		Legal Reserve	Special Reserve	Unappropriated Earnings	Total Retained Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gains (Losses) on Financial Assets at Fair Value through Other Comprehensive Income	Change in Fair Value of Financial Liability Attributable to Change in Credit Risk of Liability		
BALANCE AT JANUARY 1, 2023	\$ 113,837,646	\$ -	\$ 113,837,646	\$ 2,228,781	\$ 22,112,855	\$ 483,818	\$ 29,555,849	\$ 52,152,522	\$ (1,190,869)	\$ (12,962,698)	\$ (46,645)	\$ (14,200,212)	\$ 154,018,737
Appropriation and distribution of retained earnings generated in 2022													
Legal reserve	-	-	-	-	1,638,996	-	(1,638,996)	-	-	-	-	-	-
Special reserve	-	-	-	-	-	14,200,212	(14,200,212)	-	-	-	-	-	-
Cash dividends - common stock	-	-	-	-	-	-	(7,280,259)	(7,280,259)	-	-	-	-	(7,280,259)
Stock dividends - common stock	-	2,426,753	2,426,753	-	-	-	(2,426,753)	(2,426,753)	-	-	-	-	-
Net income for the six months ended June 30, 2023	-	-	-	-	-	-	10,099,504	10,099,504	-	-	-	-	10,099,504
Other comprehensive income for the six months ended June 30, 2023, net of income tax	-	-	-	-	-	-	-	-	(243,171)	5,039,456	(498)	4,795,787	4,795,787
Total comprehensive income for the six months ended June 30, 2023	-	-	-	-	-	-	10,099,504	10,099,504	(243,171)	5,039,456	(498)	4,795,787	14,895,291
Issuance of common stocks for cash	7,500,000	-	7,500,000	3,750,000	-	-	-	-	-	-	-	-	11,250,000
Share-based payments	-	-	-	150,580	-	-	-	-	-	-	-	-	150,580
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	-	19,518	19,518	-	(19,518)	-	(19,518)	-
BALANCE AT JUNE 30, 2023	<u>\$ 121,337,646</u>	<u>\$ 2,426,753</u>	<u>\$ 123,764,399</u>	<u>\$ 6,129,361</u>	<u>\$ 23,751,851</u>	<u>\$ 14,684,030</u>	<u>\$ 14,128,651</u>	<u>\$ 52,564,532</u>	<u>\$ (1,434,040)</u>	<u>\$ (7,942,760)</u>	<u>\$ (47,143)</u>	<u>\$ (9,423,943)</u>	<u>\$ 173,034,349</u>
BALANCE AT JANUARY 1, 2024	\$ 123,764,399	\$ -	\$ 123,764,399	\$ 6,129,361	\$ 23,751,851	\$ 14,684,030	\$ 25,164,031	\$ 63,599,912	\$ (1,375,957)	\$ (3,739,488)	\$ (42,271)	\$ (5,157,716)	\$ 188,335,956
Appropriation and distribution of retained earnings generated in 2023													
Legal reserve	-	-	-	-	2,115,440	-	(2,115,440)	-	-	-	-	-	-
Special reserve	-	-	-	-	-	(9,042,496)	9,042,496	-	-	-	-	-	-
Cash dividends - common stock	-	-	-	-	-	-	(9,282,330)	(9,282,330)	-	-	-	-	(9,282,330)
Stock dividends - common stock	-	3,094,110	3,094,110	-	-	-	(3,094,110)	(3,094,110)	-	-	-	-	-
Net income for the six months ended June 30, 2024	-	-	-	-	-	-	12,185,369	12,185,369	-	-	-	-	12,185,369
Other comprehensive income for the six months ended June 30, 2024, net of income tax	-	-	-	-	-	-	-	-	591,312	2,086,734	14,889	2,692,935	2,692,935
Total comprehensive income for the six months ended June 30, 2024	-	-	-	-	-	-	12,185,369	12,185,369	591,312	2,086,734	14,889	2,692,935	14,878,304
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	-	3,652,885	3,652,885	-	(3,652,885)	-	(3,652,885)	-
BALANCE AT JUNE 30, 2024	<u>\$ 123,764,399</u>	<u>\$ 3,094,110</u>	<u>\$ 126,858,509</u>	<u>\$ 6,129,361</u>	<u>\$ 25,867,291</u>	<u>\$ 5,641,534</u>	<u>\$ 35,552,901</u>	<u>\$ 67,061,726</u>	<u>\$ (784,645)</u>	<u>\$ (5,305,639)</u>	<u>\$ (27,382)</u>	<u>\$ (6,117,666)</u>	<u>\$ 193,931,930</u>

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

# SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit from continuing operations before tax	\$ 15,153,815	\$ 11,721,484
Adjustments to reconcile profit		
Depreciation expense	1,003,221	952,090
Amortization expense	239,638	210,048
Provision for bad debt expense	1,958,618	1,080,233
Interest expenses	28,534,812	23,910,538
Net gains arising from derecognition of financial assets measured at amortized cost	(32,985)	(23,158)
Interest income	(40,391,193)	(36,385,986)
Dividend income	(727,324)	(1,443,522)
Net change in provisions for guarantee liabilities	60	6,335
Net change in other provisions	(113,705)	48,150
Share-based payments	-	150,580
Share of profit of associates for using equity method	(47,960)	(88,008)
Losses on disposal and retirement of property and equipment	61	936
Losses on disposal of intangible assets	2	-
Impairment loss (reversal of impairment loss) on financial assets	14,260	(81,533)
Impairment losses on non-financial assets	4,501	-
Other items	(675)	48
Changes in operating assets and liabilities		
Decrease in due from the Central Bank and call loans to banks	400,545	6,446,369
Increase in financial assets at fair value through profit or loss	(20,198,671)	(47,282,407)
(Increase) decrease in financial assets at fair value through other comprehensive income	(21,772,693)	8,367,569
Increase in investments in debt instruments at amortized cost	(6,481,858)	(48,362,422)
(Increase) decrease in securities purchased under resell agreements	(2,768,687)	2,796,901
Increase in receivables	(41,435,806)	(23,076,507)
Increase in discounts and loans	(102,763,966)	(78,671,292)
Increase in other financial assets	(10,938,964)	(3,354,268)
(Increase) decrease in other assets	(2,670,662)	6,482,462
(Decrease) increase in deposits from the Central Bank and banks	(39,292,457)	9,494,105
(Decrease) increase in financial liabilities at fair value through profit or loss	(3,005,703)	7,733,765
Increase in securities sold under repurchase agreements	24,796,193	8,679,826
Increase in payables	23,675,729	3,904,168
Increase in deposits and remittances	124,419,101	7,906,870
Decrease in provisions for employee benefits	(191,419)	(140,118)
Increase in other financial liabilities	16,334,493	15,519,920
Decrease in other liabilities	(2,360,108)	(1,649,762)
Net cash used in operations	(58,659,787)	(125,146,586)
Interest received	40,282,210	36,216,156

(Continued)

# SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2024	2023
Dividends received	\$ 487,277	\$ 443,034
Interest paid	(28,517,855)	(22,202,050)
Income tax paid	<u>(1,883,282)</u>	<u>(1,365,333)</u>
Net cash used in operating activities	<u>(48,291,437)</u>	<u>(112,054,779)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	(628,797)	(517,183)
Proceeds from disposal of property and equipment	40,216	24,371
Acquisition of intangible assets	(103,183)	(135,342)
Acquisition of right-of-use-assets	(1,440)	(14)
Acquisition of investment properties	<u>(659)</u>	<u>(616)</u>
Net cash used in investing activities	<u>(693,863)</u>	<u>(628,784)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term borrowings	2,727,496	2,879,285
Increase in due to the Central Bank and banks	90,189	-
Increase in commercial papers issued	17,331,913	22,470,063
Repayment of bank debentures payable	(3,350,000)	-
Proceeds from long-term borrowings	9,584,925	5,610,859
Repayments of long-term borrowings	(6,265,319)	(7,078,768)
Repayments of lease liabilities	(493,828)	(456,635)
Proceeds from issuing of common stock	<u>-</u>	<u>11,250,000</u>
Net cash generated from financing activities	<u>19,625,376</u>	<u>34,674,804</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>902,952</u>	<u>(246,613)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(28,456,972)	(78,255,372)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>218,081,770</u>	<u>326,689,284</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 189,624,798</u>	<u>\$ 248,433,912</u>

(Continued)

# SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

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

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

	<b>June 30</b>	
	<b>2024</b>	<b>2023</b>
Cash and cash equivalents in consolidated balance sheets	\$ 38,216,227	\$ 33,995,589
Due from the Central Bank and call loans to banks reclassified as cash and cash equivalents under the definition of IAS 7	73,238,947	145,098,250
Securities purchased under resell agreements reclassified as cash and cash equivalents under the definition of IAS 7	<u>78,169,624</u>	<u>69,340,073</u>
Cash and cash equivalents at the end of the period	<u>\$ 189,624,798</u>	<u>\$ 248,433,912</u>

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

(Concluded)

# SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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### 1. ORGANIZATION AND OPERATIONS

- May 9, 2002            Following its incorporation, SinoPac Financial Holdings Co., Ltd. (the Company or SPH) issued shares to swap with the shares of Bank SinoPac (BSP), National Securities Corporation (NSC), and SinoPac Securities Corporation (SPS), resulting in all three companies becoming wholly owned subsidiaries of SPH.
- December 26, 2005    The International Bank of Taipei became a wholly owned subsidiary of SPH through a share swap made in accordance with the Financial Holding Company Act. The share swap ratio was 1.3646 (with 1 representing the SPH's share). The trading of IBT's shares on the Taiwan Stock Exchange then ceased.
- June 2006             SPH convened a shareholders' meeting to reach the decision of changing SPH's Chinese name, and completed the registration on July 2006.

SPH invests and manages financial institutions.

The consolidated financial statements of the Company and its subsidiaries (collectively referred to as the Group) are presented in the New Taiwan dollar, the Company's functional currency.

The information on consolidated entities is shown in Note 4.

### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorized for release by the Company's board of directors on August 23, 2024.

### 3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB</b>
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Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note)
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Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

- Amendments to IAS 21 “Lack of Exchangeability”

The amendments stipulate that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. An entity shall estimate the spot exchange rate at a measurement date when a currency is not exchangeable into another currency to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. In this situation, the Group shall disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, its financial performance, financial position and cash flows.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB (Note)</b>
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IFRS Accounting Standards “Annual Improvement - Volume 11”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to 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	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosures in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Note: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

1) Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

The amendments mainly amend the requirements for the classification of financial assets, including if a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if:

- In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and
- In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

The amendments also stipulate that, when settling a financial liability in cash using an electronic payment system, an entity can choose to derecognize the financial liability before the settlement date if, and only if, the entity has initiated a payment instruction that resulted in:

- The entity having no practical ability to withdraw, stop or cancel the payment instruction;
- The entity having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- The settlement risk associated with the electronic payment system being insignificant.

2) IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

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

#### **4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**

##### **Statement of Compliance**

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Public Banks, Securities Firms, Futures Commission Merchants, Securities Issuers and the guidelines issued by the authority, and International Accounting Standard 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Disclosure information included in the consolidated financial statements is less than the disclosure information required in a complete set of annual financial statements.

##### **Basis of Preparation**

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value, liabilities for cash-settled share-based payment transaction and net defined benefit liability which is stated at the present value of defined benefit obligation less fair value of plan assets and liabilities.

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

- a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- b. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- c. Level 3 inputs are unobservable inputs for the asset or liability.

##### **Classification of Current and Non-current Assets and Liabilities**

The assets and liabilities of this consolidated financial statements were properly classified in accordance with the nature of each account and sequenced by their liquidity, please refer to Note 49 for the maturity analysis of assets and liabilities.

##### **Principles for Preparing Consolidated Financial Statements**

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

When necessary, adjustments are made to the financial statements of its subsidiaries to bring its accounting policies into line with those used by the Company.

All intragroup transactions, balances, income and expenses are eliminated in full upon consolidation. Related information is shown in Table 11.



The consolidated entities were as follows:

Investor	Investee	Main Business	% of Ownership			Note	
			June 30, 2024	December 31, 2023	June 30, 2023		
SinoPac Financial Holdings Company Limited	Bank SinoPac	Commercial bank, trust and foreign exchange services	100	100	100		
	SinoPac Securities Corporation ("SinoPac Securities")	Securities brokering, dealing and underwriting	100	100	100		
	SinoPac Venture Capital Corporation ("SinoPac Venture Capital")	Venture capital investment	100	100	100		
	SinoPac Securities Investment Trust Co., Ltd. ("SinoPac Securities Investment Trust")	Securities investment trust, discretionary investment and investment consulting services	100	100	100		
	SinoPac Leasing Corporation ("SinoPac Leasing")	Leasing, installment sales and financing	100	100	100		
Bank SinoPac	Bank SinoPac (China) Ltd. ("Bank SinoPac (China)")	Commercial bank	100	100	100		
	SinoPac Insurance Brokers Ltd. ("SinoPac Insurance Brokers")	Insurance brokerage business	100	100	100		
SinoPac Securities	SinoPac Futures Corporation ("SinoPac Futures")	Futures brokering, dealing, advisory, managed enterprise and securities investment consulting services	100	100	100		
	SinoPac Securities Investment Service Corporation ("SinoPac Securities Investment Service")	Securities investment consulting and offshore fund distributor business	100	100	100		
	SinoPac Securities Venture Capital Corporation ("SinoPac Securities Venture Capital")	Venture capital investment	100	100	100		
	SinoPac Securities (Cayman) Holdings Ltd. ("SinoPac Securities (Cayman)")	Investment holding company	100	100	100		
	SinoPac Financial Consulting (Shanghai) Ltd. ("SinoPac Financial Consulting (Shanghai)")	Corporation management, investment and business information consulting	100	100	100		
	SinoPac Securities (Cayman)	SinoPac Securities (Europe) Ltd. ("SinoPac Securities (Europe)")	Brokerage agency service	100	100	100	Note
		SinoPac Asset Management (Asia) Ltd. ("SinoPac Asset Management (Asia)")	Asset management and investment consulting	100	100	100	
SinoPac Securities (Asia) Ltd. ("SinoPac Securities (Asia)")		Brokerage and dealing of stocks and futures	100	100	100		
SinoPac Securities (Asia)	SinoPac (Asia) Nominees Ltd. ("SinoPac (Asia) Nominees")	Trust accounts on overseas stocks	100	100	100		
	SinoPac Capital (Asia) Ltd. ("SinoPac Capital (Asia)")	Proprietary trading	100	100	100		
	SinoPac Solutions and Services Ltd. ("SinoPac Solutions and Services")	Fund administration service	100	100	100		
SinoPac Leasing	SinoPac International Leasing Corp. ("SinoPac International Leasing")	Financing and leasing	100	100	100		
	SinoPac Capital International (HK) Limited ("SinoPac Capital International (HK)")	Leasing, installment sales and financing	100	100	100		

Note: The board of directors of SinoPac Securities (Europe) Ltd. resolved in June 2024 to liquidate, and was approved by the FSC under letter No. 1130349937 in July 2024, as of the date the consolidated financial statements were authorized for issue, the liquidation procedures have not been completed.

## Foreign Currencies

In preparing the financial statements of the Group, transactions in currencies other than the Group's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

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

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income.

### **Cash and Cash Equivalents**

Cash and cash equivalent in financial statements includes cash on hand, demand deposits and investments with original maturities within three months from the date of acquisition, highly liquid, readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. For the purposes of presenting cash flows, the cash and cash equivalent include cash and cash equivalents in the consolidated balance sheets, due from the Central Bank and call loans to other banks and securities purchased under resell agreements under IAS 7.

### **Financial Instruments**

Financial assets and financial liabilities are recognized when the Group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

#### Financial assets

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

##### a. Measurement category

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost, and investments in debt instruments and equity instruments at FVTOCI.

##### 1) Financial asset at FVTPL

Financial asset is classified as at FVTPL when the financial asset is mandatorily classified or it is designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria. A financial asset may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise.

Financial assets at FVTPL are subsequently measured at fair value, with any gain or loss arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 48.

2) Financial assets at amortized cost

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

- a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

3) Investments in debt instruments at FVTOCI

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

- a) The financial asset is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of the financial assets; and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

4) Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate equity instruments which are neither held for trading nor contingent consideration recognized by an acquirer in a business combination as at FVTOCI.

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

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

b. Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost and investments in debt instruments that are measured at FVTOCI.

The Group always recognizes lifetime Expected Credit Loss (ECL) for receivables. For all other financial instruments (including lease receivables and installment), the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

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

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

Under the “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans” (the Regulations), Bank SinoPac evaluates credit losses on the basis of the estimated collectability of loans. In accordance with the Regulations, credit assets are classified as normal assets, assets that require special mentioned, assets with substandard credit quality, assets with doubtful collectability, and assets on which there is loss. The Group evaluates the value of collaterals of specified loans and assesses recoverability of non-performing loans. These will be written off after approved by the board of directors when evaluated as unrecoverable.

Based on the above Regulations, Bank SinoPac’s the minimum allowance for credit losses and provision for losses on guarantees for assets that are normal excluding claims against the ROC government agencies that require special mentioned, assets that are substandard, assets with doubtful collectability, and assets on which there is loss were 1%, 2%, 10%, 50% and 100%, respectively of outstanding. In addition, under the FSC Official Letter No. 10010006830, there should be a provision at more than 1% of the sum of the minimum allowance for credit losses and the provision for losses on guarantees.

For enhanced risk management of banks, the FSC issued Official Letter No. 10300329440, which requires domestic banks to allocate an allowance of at least 1.5% of repair loans and construction loans. In addition, under the FSC Official Letter No. 10410001840, Category 1 credits granted to enterprises in the China region should be covered by an allowance of at least 1.5% of the balance of these credits.

c. Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of a debt instrument at FVTOCI in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss. On derecognition of an equity instrument at FVTOCI in its entirety, cumulative gain or loss is transferred directly to retained earnings instead of reclassifying as profit or loss.

## Financial liabilities and equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Equity and debt instruments issued by a group entity are recognized at the proceeds received, net of direct issue costs.

For the issuance of convertible preferred stock, the Company first determines the carrying amount of the liability component by measuring the fair value of a similar liability that does not have an associated equity component, then determines the carrying amount of the equity component, representing the equity conversion option, by deducting the fair value of the liability component from the fair value of the convertible preferred shares as a whole. The liability component (excluding embedded derivatives) is measured at amortized cost method. Upon preferred stock conversion, the Company uses the aggregate carrying amount of the liability and equity components of the convertible preferred shares at the time of conversion as a basis for recording the common shares issued.

### a. Subsequent measurement

Except the following situation, all financial liabilities are measured at amortized cost using the effective interest method:

#### 1) Financial liabilities at FVTPL

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

Financial liabilities held for trading are stated at fair value, with any gain or loss arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest or dividend paid on the financial liability. Fair value is determined in the manner described in Note 48.

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

- a) Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- b) The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and has performance evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- c) The contract contains one or more embedded derivatives so that the entire combined contract (asset or liability) can be designated as at FVTPL.

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

## 2) Financial guarantee contracts

Financial guarantee contracts issued by the Group, if not designated as at FVTPL, are subsequently measured at the higher of the amount of the loss allowance reflecting expected credit loss or the amount initially recognized less accumulated amortization.

### b. Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

### Modification of financial instruments

When the cash flows of the financial instrument were renegotiated or modified, the Group assesses whether the modification will result in derecognition. If modification of a financial instrument results in derecognition, it is accounted for as derecognition of financial assets or liabilities. If the modification does not result in derecognition, the Group recalculates the gross carrying amount of the financial asset or the amortized cost of the financial liability based on the modified cash flows discounted at the original effective interest rate with any modification gain or loss recognized in profit or loss. The cost incurred is adjusted to the carrying amount of the modified financial asset or financial liability and amortized over the modified remaining period.

For the changes in the basis for determining contractual cash flows of financial assets or financial liabilities resulting from the interest rate benchmark reform, the Group elects to apply the practical expedient in which the changes are accounted for by updating the effective interest rate at the time the basis is changed, provided the changes are necessary as a direct consequence of the reform and the new basis is economically equivalent to the previous basis. When multiple changes are made to a financial asset or a financial liability, the Group first applies the practical expedient to those changes required by interest rate benchmark reform, and then applies the requirements of modification of financial instruments to the other changes that cannot apply the practical expedient.

### **Derivative Financial Instruments**

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

Derivatives embedded in hybrid contracts that contain financial asset hosts within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in hybrid contracts that contain hosts which are not assets (e.g. financial liabilities) within the scope of IFRS 9 shall be separated from the host and accounted for as a derivative under IFRS 9 if, and only if, the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host. Alternatively, the entire hybrid instrument is designated as a derivative instrument included in financial liabilities at fair value through profit or loss upon initial recognition, and no separate accounting is required.

## **Investment in Associates**

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

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

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

## **Repurchase and Reverse Repurchase Transactions**

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

## **Margin Loans and Stock Loans**

"Margin loans receivable" represents the amount that SinoPac Securities and its subsidiaries finance customers for buying securities, and the securities are then used to secure these loans. The collateral is recorded as "collateral securities" by using memo entries. The collateral securities are returned to the customers when the margin loans are repaid.

When SinoPac Securities needs to refinance the aforementioned margin loans from securities finance companies, the borrowings are recorded as "refinancing borrowings," which are collateralized by securities bought by customers.

The collateral securities of margin loans are sold when market values of the securities to loans fall below a pre-agreed level. After disposal of collateral securities, if the above level still can't be met and the customer cannot timely settle the deficiency, the balance of the margin loan is reclassified to "overdue receivables". If any collateral securities cannot be sold in the open market, the balance of the loan is reclassified to "other receivables" or "overdue receivables".

Stock loans are securities lent to customers for short sales. The deposits received from customers on securities lent out are credited to "securities financing refundable deposits". The securities sold short are recorded as "stock loans" by using memo entries. The proceeds of the sales of securities lent to customers less any dealer's commission, financing charges and securities exchange tax are recorded as "deposits payable for securities financing". The deposits received and the proceeds of disposal of stock loans are returned to the customers when the stock loans are repaid.

When SinoPac Securities needs to refinance the aforementioned stock loans from securities finance companies, the margins deposited to securities finance companies are recorded as "refinancing margin". The refinancing securities delivered to SinoPac Securities are recorded as "refinancing stock collaterals" by using memo entries. A portion of the proceeds of the short-sale of securities borrowed from securities finance companies is retained by the securities finance companies as collateral and is recorded as "refinancing deposits receivable".

## **Money Lending in connection with Securities Business, Non-restricted Purpose Loan, Lending Business, and Securities Borrowing and Lending**

The sources of lending securities for the securities borrowing and lending business of SinoPac Securities are from:

(1) securities owned, (2) securities borrowed from the Taiwan Stock Exchange Corporation (TWSE) through its Securities Borrowing and Lending (SBL) system, (3) collateral securities acquired from margin loans and stock loans, (4) securities borrowed from customers and (5) securities borrowed from other securities firms or securities financing companies. When using its self-owned securities for lending business, SinoPac Securities should reclassify the securities to “lending stock” and measured them at fair value on the valuation date. The gains or losses from valuation are recognized in the valuation account from which the securities are reclassified. When conducting the securities lending business, SinoPac Securities sets up a separate account for each customer and makes daily entries for details of loan balances, details of collateral received (including values), and payments for collateral shortfalls and disposals.

When conducting money lending in connection with securities business, the amount is limited to payables by each customer after netting the prices of securities bought and sold by that customer on that trading day, the related fees and taxes; the amount is recorded as “receivable of securities business money lending.” When conducting Non-restricted Purpose Loan, the amount is limited to the collateral received; the amount is recorded as “receivable of money lending - any use.” The interests and fees earned are recorded as “interest revenue” and “Handling fee revenues from securities business money lending.” In addition, the Corporation sets up a separate account for each customer and makes daily entries for details of money lending balances, details of collateral received and payments for collateral shortfalls and disposals.

The collateral securities obtained through securities lending are recorded through memo entries as “collateral securities”. Cash collaterals are recorded as “securities lending refundable deposits”. Deposits for securities borrowed from the SBL system of TWSE are recorded as “securities borrowing margin”. Securities lending refundable deposits (or securities borrowing margin) will be repaid (or collected) on the return of borrowed securities. Revenues and service fee from securities lending are recognized as income from securities lending.

### **Customers’ Margin Accounts and Futures Traders’ Equity**

SinoPac Futures and SinoPac Securities (Asia) Ltd. engage in futures brokerage and receive margin deposits from customers as required under existing regulations. The proceeds are deposited in a bank and recorded as “customers’ margin accounts” and “futures traders’ equity”. Gains or losses from daily marking to market of the carrying amounts of the contracts and related commission are charged to the customers’ margin accounts and futures traders’ equity. Futures traders’ equity accounts cannot offset each other except when they are of the same kind and belong to the same investor. The debit balance of futures traders’ equity, which results from losses on futures transactions in excess of the margin deposited, is recorded as “Futures exchanges margin receivable”.

### **Investment Properties**

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.



## **Property and Equipment**

Property and equipment are stated at cost, less accumulated depreciation and accumulated impairment loss.

Except for freehold land which is not depreciated, the depreciation on property and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an item of property and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

## **Leases**

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

### **a. The Group as lessor**

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Group subleases a right-of-use assets, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Group, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

Under finance leases, the lease payments comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives payable. The net investment in a lease is measured at the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Group's net investment outstanding in respect of leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

When a lease includes both land and building elements, the Group separately assesses the classification of each element as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred, and then classifies each element as a finance lease or an operating lease on the basis of the assessment. The lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

b. The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

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

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

Pursuant to the lease agreement, the Group has an obligation, at the end of the respective lease terms, to restore the leased buildings to their original condition at the time of the lease. Provisions are recognized based on the present value of the best estimate of future outflows of economic benefits that will be required for fulfillment of the restoration obligation stated on the lease contract.

### **Intangible Assets**

a. Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently recognized at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

b. Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

c. Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

### **Goodwill**

Goodwill arising from the acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the entity disposes of an operation within that unit, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal, and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

### **Impairment of Tangible and Intangible Assets Other Than Goodwill**

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs, corporate assets are also allocated to the individual cash-generating units; otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

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

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

### **Provisions**

The amount recognized as a provision takes into account the risks and uncertainties of the obligation and is the best estimate of the expenditure required to settle the obligation on the balance sheet date. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When part or all of the expenditures required to settle a provision are expected to be reimbursed from a third party, the reimbursement is almost certain to be received, and the amount can be measured reliably, the reimbursement is recognized as an asset.

### **Employee Benefits**

#### **a. Short-term employee benefits**

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

#### **b. Retirement benefits**

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

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

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

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

#### **c. Preferential interest on employees' deposits**

Bank SinoPac offers preferential interest rate to its current employees and retired employees for their deposits within a prescribed amount. The preferential interest rate in excess of market interest rate is treated as employee benefits.

Under Article 28 of the Regulation Governing the Preparation of Financial Reports by Public Bank, if the Group's preferential deposit interest rate for as stated in the employment contract exceeds the market interest rate, the excess will be subject to IAS 19 "Employee Benefits" upon the employee's retirement. The actuarial valuation assumptions and parameters are based on those announced by authority, if any.

d. Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the Group recognizes any related restructuring costs.

### **Share-based Payment Transaction**

a. Equity-settled share-based payment transaction

The shares of the capital increased by cash of the Company in accordance with the Financial Holding Company Act was reserved for the Group's employees. The grant date was the date that the employees subscription and the fair value determined at the grant date of the equity-settled share-based payments is recognized as an expense and capital surplus.

b. Cash-settled share-based payment transaction

For cash-settled share-based payments, a liability is recognized for the merchandise and services acquired, measured initially at the fair value of the liability incurred. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in profit or loss.

### **Revenue Recognition**

a. Interest income and expense

Except for financial assets and liabilities at fair value through profit or loss, interest income and interest expense of all financial instruments are accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, and recognized in the statements of comprehensive income.

Transaction costs and all other premium or discounts associated with the loans and receivables are adjusted to the carrying amount of the loans and receivables. The calculation of effective interest rate includes transaction costs and all other premium or discounts paid or received by the Group that is an integral part of the effective interest rate.

Interest should not be accrued for loans that are transferred to non-performing loans. The interest revenue on those loans/credits is recognized upon collection.

Under Ministry of Finance (MOF) regulations, the interest revenue on structured loans is recognized upon collection.

Interest income on revolving credit card receivables and cash advance is recognized on an accrual basis.

b. Commission revenue

Commission fee revenue and expenses are recognized when loans or other services are provided. Service fees on significant projects are recognized when the project has been completed such as arrangement fee received by lead arranger in syndicated loan. Any income or expense related to subsequent service of loans on materiality basis are recognized over the period during which the service is performed, or as an adjustment to the effective interest rate on the loan and receivables.

Bank SinoPac offers rewards to customers under loyalty program, which provide customers with specific rights. Bank SinoPac estimates these liabilities as deferred revenue on the basis of the additional fair value of the rewards through receivable consideration of the original sales for the current period. Bank SinoPac recognizes revenue only when rewards are redeemed or expired.

Revenue from the securities business is allocated to the performance obligations identified in each contract with clients, and the revenue is recognized when the performance obligation is satisfied. Brokerage fee income is recognized on the spot trading and margin trading of securities.

c. Dividend income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

### **Income Tax Expense**

Income tax expense represents the sum of the current tax 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.

a. Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws in each tax jurisdiction of the Company and its subsidiaries.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

b. Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are generally recognized for deductible temporary differences, unused loss carryforward and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

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

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

The Group has applied the exception from the recognition and disclosure of deferred tax assets and liabilities relating to Pillar Two income taxes. Accordingly, the Group neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

c. Current tax and deferred tax for the period

Current tax and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current tax and deferred tax are also recognized in other comprehensive income or directly in equity respectively. If current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

d. Linked-tax system

The Company and its qualified subsidiaries adopted the linked-tax system. The different amounts between tax expense and deferred tax liabilities and assets based on consolidation and the Company with its qualified subsidiaries are adjusted on the Company; related amounts are recognized as current tax assets or current tax liabilities.

The accounting principle for the effect of tax rate amendment is the same as the principle for transactions with tax consequences. They are recognized in profit or loss, other comprehensive income or equity when they occurred.

## **5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Group's accounting policies, which are described in Note 4, 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 relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact of economic sentiment indicators, inflation and interest rate fluctuations on the cash flow projection, growth rates, discount rates and profitabilities, and the management will continue to review the estimates and underlying assumptions.

## Estimated Impairment of Discounts and Loans

The estimate of impairment of discounts and loans is based on assumptions about probability of default and loss given default. In making these assumptions and in selecting the inputs to the impairment calculation, based on the Group's historical experience, existing market conditions as well as forward-looking estimates. Details of the key assumptions and inputs used are disclosed in Note 49. Where the actual future cash inflows are less than expected, a material impairment loss may arise. Furthermore, considering the regulations set forth by the relevant authorities, the Group ensures that the classification and allowance for impairment are in compliance with the requirements of the regulations.

Impairment losses on discounts and loans are shown in Notes 13, 49(c), Tables 6 and 7.

## 6. CASH AND CASH EQUIVALENTS, NET

	June 30, 2024	December 31, 2023	June 30, 2023
Cash on hand	\$ 6,620,735	\$ 6,595,621	\$ 6,297,158
Notes and checks for clearing	3,776,506	3,788,256	1,058,080
Deposits in banks and due from banks	24,586,540	15,422,779	21,293,962
Short-term bills	1,875,526	3,418,058	3,727,447
Excess futures margin	<u>1,357,120</u>	<u>1,420,728</u>	<u>1,621,525</u>
	38,216,427	30,645,442	33,998,172
Less: Allowance for credit losses	<u>(200)</u>	<u>(986)</u>	<u>(2,583)</u>
Net amount	<u>\$ 38,216,227</u>	<u>\$ 30,644,456</u>	<u>\$ 33,995,589</u>

The Group assesses the allowance loss of cash and cash equivalents based on the expected credit loss model. As of June 30, 2024, December 31, 2023 and June 30, 2023, considering the historical experience and forward-looking information, the 12-month expected credit loss allowance were \$200, \$986 and \$2,583, respectively.

Cash equivalents include short-term bills acquired by SinoPac Securities and SinoPac Securities Investment Trust that have a maturity of three months or less from the date of acquisition, high liquidity, readily convertible to a known amount of cash, and subject to an insignificant risk of change in value; these were held for the purpose of meeting short-term cash commitments.

The ranges of market rates for intervals of short-term bills at the end of the reporting period are as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Short-term bills	1.3%-1.96%	1.15%-1.58%	1.10%-1.7%

The carrying amounts of time deposits with original maturities of over three months without early termination option and pledging were classified as other financial assets. Related information is shown in Note 16.



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

	June 30, 2024	December 31, 2023	June 30, 2023
Call loans to banks	\$ 57,987,094	\$ 76,415,595	\$ 110,213,578
Trade finance advance - interbank	8,937,195	11,698,728	10,270,598
Deposit reserve - checking accounts	17,471,204	33,670,211	42,432,625
Due from the Central Bank - interbank settlement funds	8,000,661	10,034,761	6,050,165
Deposit reserve - demand accounts	48,744,844	45,165,820	49,991,938
Deposit reserve - foreign currencies	649,302	615,049	623,053
Deposit - other	<u>5,568,047</u>	<u>6,450,205</u>	<u>5,512,155</u>
	147,358,347	184,050,369	225,094,112
Less: Allowance for credit losses	<u>(1,753)</u>	<u>(49)</u>	<u>(4,837)</u>
Net amount	<u>\$ 147,356,594</u>	<u>\$ 184,050,320</u>	<u>\$ 225,089,275</u>

Under a directive issued by the Central Bank of the ROC, New Taiwan dollar (NTD) - denominated deposit reserves of Bank SinoPac are determined monthly at prescribed rates based on the average balances of customers' NTD-denominated deposits. Deposit reserve - demand accounts should not be used, except for adjusting the deposit reserve account monthly. In addition, the foreign-currency deposit reserves are determined at prescribed rates based on the balances of foreign-currency deposits. These reserves can be withdrawn momentarily anytime and are paid at no interest.

Under the relevant provisions issued by People's Bank of China, Bank SinoPac (China) made deposit reserves in proportion to deposit account balances at the end of each month.

## 8. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2024	December 31, 2023	June 30, 2023
Financial assets mandatorily classified as at fair value through profit or loss			
Operating securities - proprietary	\$ 73,148,404	\$ 54,126,130	\$ 50,231,944
Government bonds	12,186,085	19,256,385	13,562,674
Commercial papers	8,769,720	4,462,111	6,226,863
Corporate bonds	8,611,466	7,873,733	6,517,113
Operating securities - hedging	7,747,505	3,233,831	3,028,940
Bank debentures	4,809,916	4,236,182	117,240
Certificates of deposits	4,173,194	7,049,421	3,262,594
Stocks	3,252,736	2,825,628	2,654,347
Lending securities	699,012	1,166,414	-
Operating securities - underwriting	182,237	451,177	886,096
Currency swap contracts	23,614,147	28,543,371	29,196,609
Interest rate swap contracts	15,579,096	10,370,493	13,088,599
Future margin - own funds	2,047,966	1,218,903	1,499,246
Future margin - marketable securities	1,402,614	1,732,412	1,710,605
Asset swap option contracts	1,113,039	818,668	935,290
Forward exchange contracts	758,989	450,633	851,855

(Continued)

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Option contracts	\$ 436,693	\$ 418,170	\$ 214,842
Others	<u>341,724</u>	<u>390,422</u>	<u>222,837</u>
	<u>168,874,543</u>	<u>148,624,084</u>	<u>134,207,694</u>
Financial assets designated as at fair value through profit or loss			
Corporate bonds	<u>1,208,048</u>	<u>1,259,836</u>	<u>4,718,569</u>
	<u>\$ 170,082,591</u>	<u>\$ 149,883,920</u>	<u>\$ 138,926,263</u>
Held-for-trading financial liabilities			
Borrowing security payable	\$ 16,080,194	\$ 14,843,330	\$ 11,213,485
Currency swap contracts	19,236,709	31,687,170	25,409,088
Interest rate swap contracts	12,490,575	8,179,915	9,763,682
Asset swap option contracts	3,399,853	2,269,307	1,825,318
Option contracts	2,493,218	2,087,752	1,632,842
Liabilities for issuance of warrants, net	1,318,148	668,113	492,109
Forward exchange contracts	341,776	1,309,228	615,624
Others	<u>265,776</u>	<u>303,240</u>	<u>446,999</u>
	<u>55,626,249</u>	<u>61,348,055</u>	<u>51,399,147</u>
Financial liabilities designated as at fair value through profit or loss			
Bank debentures	2,021,539	1,873,060	1,855,985
Liabilities for structured notes	<u>15,601,743</u>	<u>13,049,008</u>	<u>14,243,953</u>
	<u>17,623,282</u>	<u>14,922,068</u>	<u>16,099,938</u>
	<u>\$ 73,249,531</u>	<u>\$ 76,270,123</u>	<u>\$ 67,499,085</u>

(Concluded)

- a. The Group's financial assets designated as at fair value through profit or loss originally maintained the business model by cash flows derived from contracts and the sales of financial assets and are designated to hedge against the interest rate risk; the financial liabilities at fair value through profit or loss are specified for mixed commodities and for eliminating inconsistencies in accounting recognition.
- b. As of June 30, 2024, December 31, 2023 and June 30, 2023, the par values of financial assets at FVTPL under repurchase agreements were \$26,795,252, \$22,712,771 and \$15,233,203, respectively.
- c. Information on financial liabilities designated as at fair value through profit or loss were as follows:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Difference between carrying amounts and the amounts due on maturity			
Fair value	\$ 2,021,539	\$ 1,873,060	\$ 1,855,985
Amounts due on maturity	<u>(2,077,589)</u>	<u>(1,883,244)</u>	<u>(1,907,750)</u>
	<u>\$ (56,050)</u>	<u>\$ (10,184)</u>	<u>\$ (51,765)</u>

	<b>Changes in Fair Value Attributable to Changes in Credit Risk</b>
Change in amount during the period	
For the three months ended June 30, 2024	<u>\$ 716</u>
For the three months ended June 30, 2023	<u>\$ 4,882</u>
For the six months ended June 30, 2024	<u>\$ 14,889</u>
For the six months ended June 30, 2023	<u>\$ (498)</u>
Accumulated amount of change	
As of June 30, 2024	<u>\$ (27,382)</u>
As of December 31, 2023	<u>\$ (42,271)</u>
As of June 30, 2023	<u>\$ (47,143)</u>

The change in fair value attributable to changes in credit risk recognized as other comprehensive income was calculated as the difference between the total change in fair value of bank debentures and the change in fair value due to the change in market risk factors. The change in fair value due to market risk factors was calculated using benchmark interest yield curves as at the end of the reporting period holding the credit risk margin constant and interest rates swap volatility surface. The fair value of bank debentures was estimated by discounting future cash flows using quoted benchmark interest yield curves as at the end of the reporting period, interest rates swap volatility surface and credit risk margin is estimated by obtaining credit default swap spread of the Company with similar credit rating.

On May 19, 2017, Bank SinoPac issued unsecured senior bank debentures amounting to US\$45,000 thousand with a 30-year maturity, zero coupon issued and an implicit internal rate of return of 4.5%. In accordance with the terms of the bank debentures, Bank SinoPac may either redeem the bonds at an agreed-upon price after five years from the issue date, or make bond repayments on the maturity date.

- d. The Group engages in derivative transactions mainly to accommodate customers' needs and manage its own exposure positions. Outstanding derivative contracts (nominal) as of June 30, 2024, December 31, 2023 and June 30, 2023 were as follows:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Currency swap contracts	\$ 4,111,096,453	\$ 3,011,343,846	\$ 2,446,761,906
Interest rate swap contracts	1,318,249,842	1,192,324,852	1,385,642,033
Forward exchange contracts	101,363,831	123,855,782	88,413,269
Option contracts	92,090,323	62,269,632	56,429,826
Futures contracts	45,681,540	40,333,522	30,156,659
Asset swap contracts	22,313,573	23,534,247	24,289,384
Principal guaranteed contracts	13,900,270	12,221,586	13,643,441
Cross-currency swap contracts	8,543,488	7,154,519	3,380,618
Equity-linked swap contracts	3,790,007	1,300,118	1,207,938
Credit-linked note	605,100	698,000	499,700
Equity derivatives contracts	78,819	-	-

## 9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	June 30, 2024	December 31, 2023	June 30, 2023
Equity instruments at fair value through other comprehensive income	\$ 23,234,336	\$ 26,234,174	\$ 32,057,767
Debt instruments at fair value through other comprehensive income	<u>375,510,764</u>	<u>348,640,784</u>	<u>300,796,678</u>
	<u>\$ 398,745,100</u>	<u>\$ 374,874,958</u>	<u>\$ 332,854,445</u>

### a. Equity instruments at fair value through other comprehensive income

	June 30, 2024	December 31, 2023	June 30, 2023
Stock	\$ 22,951,887	\$ 24,696,384	\$ 28,338,466
Real estate investment trust beneficiary securities	<u>282,449</u>	<u>1,537,790</u>	<u>3,719,301</u>
	<u>\$ 23,234,336</u>	<u>\$ 26,234,174</u>	<u>\$ 32,057,767</u>

The Group holds centralized securities exchange market stocks and real estate investment trust beneficiary securities as medium and long-term strategic investments, or based on the investment principles of improving the efficiency of medium and long-term capital utilization and pursuing stable investment performance, based on the disposal principles of acquiring dividend income while balancing profit and risk, and it is not held for trading purpose. Therefore, the equity instruments are designated as at fair value through other comprehensive income.

Due to the refund from investee's liquidation, management the risk of investment position, the Group sold the stocks at a fair value of \$13,129,686 and \$3,402,088, and transferred the income of gain \$3,652,885 and \$19,518 from other equity to retained earnings for the six months ended June 30, 2024 and 2023, respectively.

### b. Debt instruments at fair value through other comprehensive income

	June 30, 2024	December 31, 2023	June 30, 2023
Certificates of deposits	\$ 121,019,041	\$ 111,944,303	\$ 74,126,349
Bank debentures	105,171,365	91,541,206	88,352,264
Corporate bonds	56,405,828	48,860,886	42,668,629
Government bonds	41,499,888	32,039,499	25,880,688
Commercial papers	30,456,011	47,326,356	44,927,663
Asset-based securities	14,363,412	14,489,325	15,008,440
Others	<u>6,595,219</u>	<u>2,439,209</u>	<u>9,832,645</u>
	<u>\$ 375,510,764</u>	<u>\$ 348,640,784</u>	<u>\$ 300,796,678</u>

- 1) Please refer to Note 46 for information relating to debt instrument at FVTOCI pledged as security.
- 2) Loss allowance of debt instruments at fair value through other comprehensive income were \$69,064, \$41,996 and \$38,243 on June 30, 2024, December 31, 2023 and June 30, 2023. Credit risk management and information of impairment valuation of debt instruments at FVTOCI are shown in Note 49, Table 6 and Table 9.

- 3) As of June 30, 2024, December 31, 2023 and June 30, 2023, the par value of debt instruments at FVTOCI under repurchase agreements were \$24,560,205, \$13,170,390 and \$21,542,601, respectively.

#### 10. INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST

	June 30, 2024	December 31, 2023	June 30, 2023
Certificates of deposits	\$ 106,182,325	\$ 101,567,426	\$ 73,470,904
Government bonds	70,490,507	69,502,131	68,011,841
Bank debentures	60,412,905	65,680,751	65,434,494
Asset-based securities	41,450,873	40,512,006	42,274,143
Corporate bonds	27,949,130	23,796,228	22,684,465
Others	<u>3,597,170</u>	<u>2,511,944</u>	<u>1,992,778</u>
	310,082,910	303,570,486	273,868,625
Less: Impairment loss	<u>(24,926)</u>	<u>(23,807)</u>	<u>(25,488)</u>
	<u>\$ 310,057,984</u>	<u>\$ 303,546,679</u>	<u>\$ 273,843,137</u>

- a. Please refer to Note 46 for information relating to investments in debt instruments at amortized cost pledged as security.
- b. Credit risk management and information of impairment valuation of investment in debt instruments at amortized cost are shown in Note 49, Table 6 and Table 10.
- c. As of June 30, 2024, December 31, 2023 and June 30, 2023, the par value of investment in debt instruments at amortized cost under repurchase agreements were \$5,561,770, \$1,029,915 and \$3,245,274, respectively.

#### 11. SECURITIES PURCHASED UNDER RESELL AGREEMENTS

	June 30, 2024	December 31, 2023	June 30, 2023
Government bonds	\$ 37,650,179	\$ 21,722,347	\$ 15,658,740
Commercial papers	25,382,614	33,707,421	38,341,867
Corporate bonds	7,040,195	7,300,660	9,558,857
Bank debentures	6,816,538	3,978,092	5,080,752
Negotiable certificates of deposits	<u>4,061,278</u>	<u>11,210,863</u>	<u>802,423</u>
	<u>\$ 80,950,804</u>	<u>\$ 77,919,383</u>	<u>\$ 69,442,639</u>
Agreed-upon resell amount	\$ 81,235,855	\$ 78,206,886	\$ 70,044,280
Par value	\$ 88,773,988	\$ 84,039,303	\$ 74,872,602
Expiry	October 2024	May 2024	September 2023

As of June 30, 2024, December 31, 2023 and June 30, 2023, the par value of securities purchased under resell agreements under repurchase agreements were \$46,250,041, \$37,200,847 and \$34,105,936, respectively.

## 12. RECEIVABLES, NET

	June 30, 2024	December 31, 2023	June 30, 2023
Margin loans receivable	\$ 32,034,924	\$ 24,855,375	\$ 18,985,877
Accounts receivable - settlement	28,680,028	15,592,616	14,765,698
Credit card receivables	24,494,138	20,807,965	21,804,188
Securities loan receivable - purpose	20,639,943	13,803,408	5,973,258
Accounts and notes receivable	12,705,128	3,077,280	4,386,792
Accounts receivable - forfeiting	10,688,765	8,489,489	10,187,371
Interest and revenue receivables	10,189,104	10,350,561	8,208,878
Accounts receivable - factoring	9,603,767	13,566,034	11,987,014
Acceptances receivables	7,503,548	5,904,300	8,145,080
Lease receivables and installment	6,991,608	5,551,913	4,350,998
Receivables from securities sale	5,666,296	4,751,296	3,957,019
Trust administration fee revenue receivable	1,122,116	930,635	938,336
Settlement price	-	138,816	866,083
Others	2,442,191	1,806,072	2,958,821
	<u>172,761,556</u>	<u>129,625,760</u>	<u>117,515,413</u>
Less: Allowance for credit losses	(792,949)	(912,794)	(879,719)
Premium or discount on receivables	<u>(971)</u>	<u>(1,074)</u>	<u>(1,976)</u>
Net amount	<u>\$ 171,967,636</u>	<u>\$ 128,711,892</u>	<u>\$ 116,633,718</u>

The lease receivables and installments listed in the above periods refer to the receivables due within one year and the balance of unrealized interest income.

The Group assessed the collectability of receivables to determine the allowance. Movements in the allowance of receivables were as follows:

	For the Six Months Ended June 30	
	2024	2023
Balance, January 1	\$ 912,794	\$ 806,022
Provision	185,900	187,476
Write-off	(248,184)	(86,722)
Reclassification	(75,353)	(20,922)
Effect of exchange rate changes	<u>17,792</u>	<u>(6,135)</u>
Balance, June 30	<u>\$ 792,949</u>	<u>\$ 879,719</u>

Please refer to Note 49 and Tables 6 and 8 for the analysis of receivable impairment loss. The Group received payments for loans previously written-off \$102,611 and \$77,261 for the six months ended June 30, 2024 and 2023, respectively, which were recognized as deduction of provision expenses.

### 13. DISCOUNTS AND LOANS, NET

	June 30, 2024	December 31, 2023	June 30, 2023
Export negotiation	\$ 937,326	\$ 1,173,250	\$ 2,214,459
Discounts and overdrafts	33,160	44,084	909,236
Accounts receivable - financing	1,298,385	2,016,186	1,000,524
Short-term loans	142,474,371	133,568,625	162,848,275
Secured short-term loans	101,697,485	89,852,993	96,867,240
Medium-term loans	387,974,962	355,372,430	331,861,415
Secured medium-term loans	226,114,449	208,658,883	206,548,869
Long-term loans	23,915,339	17,874,875	16,131,660
Secured long-term loans	659,288,641	633,526,809	605,700,810
Non-performing loans transferred from loans	<u>1,477,702</u>	<u>1,092,505</u>	<u>882,800</u>
	1,545,211,820	1,443,180,640	1,424,965,288
Less: Allowance for credit losses	(20,609,758)	(19,431,589)	(18,167,064)
Premium or discount on discounts and loans	<u>(268,464)</u>	<u>(280,689)</u>	<u>(337,671)</u>
Net amount	<u>\$ 1,524,333,598</u>	<u>\$ 1,423,468,362</u>	<u>\$ 1,406,460,553</u>

- a. Please refer to Note 49 and Tables 6 and 7 for the analysis of impairment loss on discounts and loans. Please refer to Note 46 for information on discounts and loans pledged as security. Except the accounting policy on impairment of financial assets in Note 4, SinoPac (China) also follows the local authority, maintaining an allowance of at least 1.5% of loans and 120% of non-performing loans from April 30, 2022. The aforementioned bank loan provision ratio and non-performing loan provision coverage ratio were adjusted to 2.1% and 140% from April 30, 2024, respectively.
- b. The Group assessed the collectability of discounts and loans to determine the required allowance. Movements in the allowance of discounts and loans were as follows:

	For the Six Months Ended June 30	
	2024	2023
Balance, January 1	\$ 19,431,589	\$ 17,612,485
Provision	1,735,548	883,338
Write-off	(723,920)	(353,216)
Effect of exchange rate changes	<u>166,541</u>	<u>24,457</u>
Balance, June 30	<u>\$ 20,609,758</u>	<u>\$ 18,167,064</u>

The Group received payments for loans previously written-off \$219,828 and \$143,067 for the six months ended June 30, 2024 and 2023, respectively, which were recognized as deduction of provision expenses.

#### 14. INVOLVEMENT WITH UNCONSOLIDATED STRUCTURED ENTITIES

The tables below show the information of unconsolidated structures entities in which the Group had an interest at the reporting date:

Type of Structured Entity	Nature and Purpose	The Group's Ownership
Funds	Funds under management by the third party The Group also invests units in these funds	a. The Group invests in those funds under management by the third party. b. The Group entitled to receive management fee based on the assets under management.

The total assets of Funds unrecognized in the consolidated balance sheets were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Funds	<u>\$ 98,585,413</u>	<u>\$ 90,476,899</u>	<u>\$ 72,486,549</u>

The carrying amounts of the funds in which the Group also invests were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Financial assets at fair value through profit or loss	<u>\$ 569,103</u>	<u>\$ 341,832</u>	<u>\$ 358,318</u>

The maximum exposure of loss was the carrying amount of the funds.

As of June 30, 2024, December 31, 2023 and June 30, 2023, the Group did not provide any financial support to those unconsolidated structures.

#### 15. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	June 30, 2024	December 31, 2023	June 30, 2023
Golden Trust SinoPac Fund Management	\$ 1,009,563	\$ 937,853	\$ 975,850
Telexpress	<u>79,896</u>	<u>78,498</u>	<u>93,952</u>
	<u>\$ 1,089,459</u>	<u>\$ 1,016,351</u>	<u>\$ 1,069,802</u>

Name of Associate	Nature of Activities	Principal Place of Business	Proportion of Ownership and Voting Rights		
			June 30, 2024	December 31, 2023	June 30, 2023
Golden Trust SinoPac Fund Management	Fund raising and sale, asset management business approved by CSRC	China	49.00%	49.00%	49.00%
Telexpress	Stockholding	Cayman Islands/ Taiwan	34.21%	34.21%	34.21%



The Group accounts for investments using the equity method, and hence the profit or loss and other comprehensive income resulting from the investments therefore are prorated accordingly based on the shares. The calculation of the share of other investments was based on the investee's unaudited financial statements, except for Golden Trust SinoPac Fund Management which was based on the investee's audited financial statement, however, the management of the Group believes that the aforesaid investment should not cause material impact to the Group's financial statements.

The associates' audited financial information is summarized as follows:

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
The Group's share of:				
Net income	\$ 17,277	\$ 40,580	\$ 47,960	\$ 88,008
Other comprehensive loss	<u>(968)</u>	<u>(3,544)</u>	<u>(4,161)</u>	<u>(2,577)</u>
	<u>\$ 16,309</u>	<u>\$ 37,036</u>	<u>\$ 43,799</u>	<u>\$ 85,431</u>

#### 16. OTHER FINANCIAL ASSETS, NET

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Customer margin deposits	\$ 37,300,393	\$ 30,799,001	\$ 35,309,602
Bank deposits not belonging to cash and cash equivalents	12,102,424	7,567,171	7,290,725
Purchase of the PEM Group's instruments	4,044,457	4,187,286	4,603,081
Long-term lease receivables and installment	3,577,701	3,512,721	2,781,767
Non-performing receivables transferred from other than loans	128,473	111,824	105,055
Others	<u>813,559</u>	<u>853,539</u>	<u>868,011</u>
	57,967,007	47,031,542	50,958,241
Less: Allowance for credit loss	(156,978)	(181,196)	(146,126)
Accumulated impairment	<u>(2,508,490)</u>	<u>(2,386,381)</u>	<u>(2,389,293)</u>
Net amount	<u>\$ 55,301,539</u>	<u>\$ 44,463,965</u>	<u>\$ 48,422,822</u>

Bank deposits not belonging to cash and cash equivalent mentioned above included bank deposits over three months and no early termination, pledged time deposits and restricted bank deposits. The long-term leases receivable and installments presented in each period are the balance of deducting unrealized interest income.

Please refer to Note 46 for information on other financial assets pledged as security.

The Group assessed the collectability of other financial assets to determine the required allowance. Movements in the allowance of other financial assets were as follows:

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Balance, January 1	\$ 181,196	\$ 140,622
Provision	35,480	5,585
Write off	(136,545)	(20,709)
Reclassifications	75,353	20,922
Effect of exchange rate changes	<u>1,494</u>	<u>(294)</u>
Balance, June 30	<u>\$ 156,978</u>	<u>\$ 146,126</u>

The Group received payments for loans previously written-off \$8,247 and \$3,560 for the six months ended June 30, 2024 and 2023, respectively, which were recognized as deduction of provision expenses.

Bank SinoPac was delegated by professional investors to sell the PEM Group's investment products amounting to US\$146,000 thousand through private placement. A U.S. Federal Court appointed a receiver for all assets that belonged to, were being managed by, or were in the possession of or control of the PEM Group. To protect the client's interests, Bank SinoPac bought back the products at the price of the initial payment net of the distribution and redemption costs. On December 24, 2010, Bank SinoPac's board of directors resolved to abide by a court's appointment of a PEM Group receiver to take the PEM Group's insurance policies at the price of approximately US\$40.4 million. On March 7, 2011, the receiver transferred the insurance policies to a trustee established jointly by certain banks to hold insurance policies. And Bank SinoPac had submitted to the authorities the results of this policy transfer. As of June 30, 2024, a reserve of US\$77,267 thousand (NT\$2,508,490) had been set aside to cover the accumulated impairment losses. Bank SinoPac has reversal of impairment loss of \$10,937 and \$76,603, respectively for PEM Group for the six months ended June 30, 2024 and 2023.

## 17. INVESTMENT PROPERTY, NET

The movements of investment property are summarized as follows:

	<b>For the Six Months Ended June 30, 2024</b>		
	<b>Land and Land Improvements</b>	<b>Buildings</b>	<b>Total</b>
<u>Cost</u>			
Balance, January 1	\$ 1,840,329	\$ 903,723	\$ 2,744,052
Additions	-	659	659
Deductions	-	-	-
Reclassifications	<u>(84,772)</u>	<u>(40,233)</u>	<u>(125,005)</u>
Balance, June 30	<u>1,755,557</u>	<u>864,149</u>	<u>2,619,706</u>
<u>Accumulated depreciation</u>			
Balance, January 1	6,591	432,836	439,427
Depreciation	151	9,506	9,657
Deductions	-	-	-
Reclassifications	<u>-</u>	<u>(24,120)</u>	<u>(24,120)</u>
Balance, June 30	<u>6,742</u>	<u>418,222</u>	<u>424,964</u>

(Continued)

**For the Six Months Ended June 30, 2024**

	<b>Land and Land Improvements</b>	<b>Buildings</b>	<b>Total</b>
<u>Accumulated impairment</u>			
Balance, January 1	\$ 14,532	\$ 22,772	\$ 37,304
Additions	-	-	-
Deductions	-	-	-
Balance, June 30	<u>14,532</u>	<u>22,772</u>	<u>37,304</u>
<u>Net amount</u>			
Balance, June 30	<u>\$ 1,734,283</u>	<u>\$ 423,155</u>	<u>\$ 2,157,438</u> (Concluded)

**For the Six Months Ended June 30, 2023**

	<b>Land and Land Improvements</b>	<b>Buildings</b>	<b>Total</b>
<u>Cost</u>			
Balance, January 1	\$ 1,931,070	\$ 938,638	\$ 2,869,708
Additions	188	428	616
Deductions	-	-	-
Reclassifications	<u>7,329</u>	<u>(7,896)</u>	<u>(567)</u>
Balance, June 30	<u>1,938,587</u>	<u>931,170</u>	<u>2,869,757</u>
<u>Accumulated depreciation</u>			
Balance, January 1	6,150	435,435	441,585
Depreciation	239	9,988	10,227
Deductions	-	-	-
Reclassifications	-	<u>(3,787)</u>	<u>(3,787)</u>
Balance, June 30	<u>6,389</u>	<u>441,636</u>	<u>448,025</u>
<u>Accumulated impairment</u>			
Balance, January 1	14,532	22,772	37,304
Additions	-	-	-
Deductions	-	-	-
Balance, June 30	<u>14,532</u>	<u>22,772</u>	<u>37,304</u>
<u>Net amount</u>			
Balance, June 30	<u>\$ 1,917,666</u>	<u>\$ 466,762</u>	<u>\$ 2,384,428</u>

The above investment properties are depreciated at the following estimated useful lives:

<u>Category</u>	<u>Useful Lives</u>
Land improvements	2-10 years
Buildings	2-61 years

The investment property of Bank SinoPac was held for earning rentals and/or for capital appreciation. The fair values of properties used mainly or partially by lease for Bank SinoPac's investment properties as of June 30, 2024, December 31, 2023 and June 30, 2023 were \$5,337,829, \$5,522,318 and \$5,673,812, respectively. The fair values, which were based on an internal valuation yearly report instead of an assessment by an independent professional appraiser, determined assuming were unobservable inputs (Level 3).

The fair values of SinoPac Securities' investment properties as of June 30, 2024, December 31, 2023 and June 30, 2023 were \$243,380. The fair values were arrived at not through the valuations of independent experts but by reference to unobservable inputs (Level 3), i.e., neighboring area transaction prices and appraise from 2024 and 2023.

The fair values of SinoPac Leasing's investment properties as of June 30, 2024, December 31, 2023 and June 30, 2023 were \$8,322,259-\$8,323,604, \$8,329,180-\$8,328,604 and \$8,276,739-\$8,277,318, respectively. The fair values were based on external valuation report issued by independent experts or estimated transaction price using level 2 and level 3 inputs from May 2022 to May 2024.

Please refer to Note 46 for information on investment properties pledged as security.

## 18. PROPERTY AND EQUIPMENT, NET

The movements of property and equipment are summarized as follows:

	<u>For the Six Months Ended June 30, 2024</u>							
	<u>Land and Land Improvements</u>	<u>Buildings</u>	<u>Machinery and Computer Equipment</u>	<u>Transportation Equipment</u>	<u>Other Equipment</u>	<u>Leasehold Improvement</u>	<u>Prepayments for Equipment and Construction in Progress</u>	<u>Total</u>
<u>Cost</u>								
Balance, January 1	\$ 7,344,713	\$ 8,000,365	\$ 3,327,681	\$ 514,962	\$ 1,881,637	\$ 1,819,930	\$ 377,538	\$ 23,266,826
Additions	-	27,139	144,905	55,817	72,249	43,120	285,567	628,797
Deductions	-	(250,587)	(113,215)	(109,881)	(21,676)	(42,807)	-	(538,166)
Reclassifications	84,772	50,062	14,431	2,037	17,997	60,294	(185,910)	43,683
Effect of exchange rate changes	-	10,005	19,276	68	2,814	8,265	764	41,192
Balance, June 30	<u>7,429,485</u>	<u>7,836,984</u>	<u>3,393,078</u>	<u>463,003</u>	<u>1,953,021</u>	<u>1,888,802</u>	<u>477,959</u>	<u>23,442,332</u>
<u>Accumulated depreciation</u>								
Balance, January 1	107	4,698,257	2,200,443	284,645	1,361,520	1,473,206	-	10,018,178
Depreciation	12	95,200	212,848	40,653	71,395	61,717	-	481,825
Deductions	-	(248,268)	(109,897)	(80,231)	(21,133)	(38,360)	-	(497,889)
Reclassifications	-	24,120	70	-	207	(207)	-	24,190
Effect of exchange rate changes	-	2,330	16,379	68	2,192	6,239	-	27,208
Balance, June 30	<u>119</u>	<u>4,571,639</u>	<u>2,319,843</u>	<u>245,135</u>	<u>1,414,181</u>	<u>1,502,595</u>	<u>-</u>	<u>10,053,512</u>
<u>Net amount</u>								
Balance, June 30	<u>\$ 7,429,366</u>	<u>\$ 3,265,345</u>	<u>\$ 1,073,235</u>	<u>\$ 217,868</u>	<u>\$ 538,840</u>	<u>\$ 386,207</u>	<u>\$ 477,959</u>	<u>\$ 13,388,820</u>

For the Six Months Ended June 30, 2023

	Land and Land Improvements	Buildings	Machinery and Computer Equipment	Transportation Equipment	Other Equipment	Leasehold Improvement	Prepayments for Equipment and Construction in Progress	Total
<u>Cost</u>								
Balance, January 1	\$ 7,352,042	\$ 7,912,413	\$ 3,105,934	\$ 580,348	\$ 1,827,295	\$ 1,772,061	\$ 350,528	\$ 22,900,621
Additions	-	35,954	160,745	4,109	44,982	23,928	247,465	517,183
Deductions	-	(36,698)	(115,910)	(63,226)	(41,715)	(12,901)	-	(270,450)
Reclassifications	(7,329)	39,793	39,393	39,717	1,969	21,502	(302,748)	(167,703)
Effect of exchange rate changes	-	(10,760)	(223)	9	327	136	(479)	(10,990)
Balance, June 30	<u>7,344,713</u>	<u>7,940,702</u>	<u>3,189,939</u>	<u>560,957</u>	<u>1,832,858</u>	<u>1,804,726</u>	<u>294,766</u>	<u>22,968,661</u>
<u>Accumulated depreciation</u>								
Balance, January 1	84	4,556,743	1,998,470	309,235	1,299,192	1,449,314	-	9,613,038
Depreciation	12	99,876	208,064	45,868	65,697	51,682	-	471,199
Deductions	-	(36,565)	(112,206)	(42,890)	(40,842)	(12,640)	-	(245,143)
Reclassifications	-	3,787	-	-	-	-	-	3,787
Effect of exchange rate changes	-	(2,282)	469	9	258	(29)	-	(1,575)
Balance, June 30	<u>96</u>	<u>4,621,559</u>	<u>2,094,797</u>	<u>312,222</u>	<u>1,324,305</u>	<u>1,488,327</u>	<u>-</u>	<u>9,841,306</u>
<u>Net amount</u>								
Balance, June 30	<u>\$ 7,344,617</u>	<u>\$ 3,319,143</u>	<u>\$ 1,095,142</u>	<u>\$ 248,735</u>	<u>\$ 508,553</u>	<u>\$ 316,399</u>	<u>\$ 294,766</u>	<u>\$ 13,127,355</u>

The above property and equipment are depreciated at the following estimated useful lives:

<u>Category</u>	<u>Useful Lives</u>
Land improvements	8-30 years
Buildings	2-60 years
Machinery and computer equipment	1-15 years
Transportation equipment	5-6 years
Other equipment	2-15 years
Leasehold improvement	1.58-15 years

The property and equipment are leased under operating leases:

	June 30, 2024	December 31, 2023	June 30, 2023
Transportation equipment	\$ 181,729	\$ 185,096	\$ 218,093
Other equipment	<u>885</u>	<u>969</u>	<u>1,082</u>
	<u>\$ 182,614</u>	<u>\$ 186,065</u>	<u>\$ 219,175</u>

Please refer to Note 46 for the information on property and equipment pledged as security.

## 19. LEASE ARRANGEMENTS

### a. Right-of-use assets, net

	June 30, 2024	December 31, 2023	June 30, 2023	
<u>Carrying amounts</u>				
Land and surface rights	\$ 897,718	\$ 903,356	\$ 921,442	
Buildings	2,978,929	2,686,491	2,659,110	
Machinery and computer equipment	59,640	76,387	93,250	
Transportation equipment	14,717	17,609	15,528	
Other equipment	3,854	3,208	4,047	
Decommissioning restoration costs	<u>31,591</u>	<u>33,292</u>	<u>29,032</u>	
	<u>\$ 3,986,449</u>	<u>\$ 3,720,343</u>	<u>\$ 3,722,409</u>	
	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Additions to right-of-use assets	<u>\$ 628,729</u>	<u>\$ 414,034</u>	<u>\$ 763,608</u>	<u>\$ 546,785</u>
Depreciation charge for right-of-use assets				
Land and surface rights	\$ 9,167	\$ 9,045	\$ 18,293	\$ 18,095
Buildings	236,951	215,846	464,511	424,438
Machinery and computer equipment	8,429	8,421	16,853	16,838
Transportation equipment	2,680	2,582	5,280	4,772
Other equipment	450	418	892	831
Decommissioning restoration costs	<u>3,038</u>	<u>2,883</u>	<u>5,910</u>	<u>5,690</u>
	<u>\$ 260,715</u>	<u>\$ 239,195</u>	<u>\$ 511,739</u>	<u>\$ 470,664</u>
Right-of-use assets sublease revenue (recognized in financing interest revenue)	<u>\$ 228</u>	<u>\$ 248</u>	<u>\$ 462</u>	<u>\$ 500</u>

Please refer to Note 46 for information on right-of-use assets pledged as security.

### b. Lease liabilities

	June 30, 2024	December 31, 2023	June 30, 2023
Carrying amounts	<u>\$ 3,523,430</u>	<u>\$ 3,243,653</u>	<u>\$ 3,218,260</u>

Range of discount rate for lease liabilities were as follows:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Land and surface rights	1.6391%- 4.7390%	1.6391%- 2.1233%	1.6391%- 2.1233%
Buildings	0.3500%- 8.0000%	0.1428%- 8.0000%	0.0851%- 8.0000%
Machinery and computer equipment	0.5754%- 2.3588%	0.5754%- 2.3588%	0.5754%- 2.3588%
Transportation equipment	1.0399%- 5.5900%	0.1098%- 5.5000%	0.1098%- 5.5000%
Other equipment	0.1023%- 4.6478%	0.1023%- 4.8255%	0.1023%- 4.8255%

c. Material lease-in activities and terms

The Group leases certain land and buildings for use as business locations and operating assets with lease expiration date in February 2049. The lease contract for major buildings in Taiwan for use as offices and branches specifies that lease payments will be adjusted a year on the basis of current announcement land value 5%. The lease contract for major buildings located in overseas branches stipulated fixed or regularly calculated proportionally lease payments. The lease contract for parking space with lease expiration date in December 2034 located in Taiwan for clients' using will be adjusted since the fourth year of the rent day. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms.

d. Other lease information

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Expenses relating to short-term leases	<u>\$ 6,417</u>	<u>\$ 6,538</u>	<u>\$ 12,873</u>	<u>\$ 12,895</u>
Expenses relating to low-value asset leases	<u>\$ 12,954</u>	<u>\$ 11,370</u>	<u>\$ 24,212</u>	<u>\$ 21,577</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 1,835</u>	<u>\$ 1,683</u>	<u>\$ 3,478</u>	<u>\$ 3,063</u>
Total cash outflow for leases	<u>\$ (278,642)</u>	<u>\$ (255,977)</u>	<u>\$ (570,935)</u>	<u>\$ (524,094)</u>

Recognition exemption is applied to short-term leases of various types of assets such as other equipment which qualify as low-value asset leases. The Group has elected to apply the recognition exemption and, thus, did not recognize right-of-use assets and lease liabilities for these leases.

e. Lease agreement

1) The Group as lessee

All the Group's lease agreements on business space and transportation equipment with terms of between 1 year and 30.1 years. The Group has no bargain purchase option.

The future minimum lease payments for the Group's lease commitments are as follows:

	Within 1 Year	1 Year to 5 Years	Over 5 Years	Total
As of June 30, 2024	\$ 938,881	\$ 2,085,496	\$ 701,183	\$ 3,725,560
As of December 31, 2023	903,120	1,813,767	693,541	3,410,428
As of June 30, 2023	927,802	1,822,180	667,802	3,417,784

2) The Group as lessor

Leased properties are mainly from the investment properties owned by the Group. All lease agreements have market review clauses when lessees exercise lease renewal options. The lessees have no bargain purchase option on the leased properties.

The Group's lease commitments are as follows:

June 30, 2024	1 Year	2 Year	3 Year	4 Year	5 Year	Over 5 Years	Total
Operating lease revenue	\$ 137,234	\$ 99,995	\$ 59,064	\$ 39,368	\$ 37,817	\$ 215,253	\$ 588,731
Financial lease revenue	4,554,529	2,124,000	211,380	59,245	34,111	37,966	7,021,231

December 31, 2023	1 Year	2 Year	3 Year	4 Year	5 Year	Over 5 Years	Total
Operating lease revenue	\$ 155,820	\$ 99,964	\$ 69,468	\$ 40,856	\$ 37,749	\$ 233,818	\$ 637,675
Financial lease revenue	4,010,951	2,103,530	275,571	59,037	44,548	42,671	6,536,308

June 30, 2023	1 Year	2 Year	3 Year	4 Year	5 Year	Over 5 Years	Total
Operating lease revenue	\$ 167,440	\$ 100,433	\$ 70,850	\$ 48,210	\$ 39,567	\$ 251,121	\$ 677,621
Financial lease revenue	2,569,487	6,181	6,098	6,002	1,362,744	55,850	4,006,362

## 20. INTANGIBLE ASSETS, NET

Items	June 30, 2024	December 31, 2023	June 30, 2023
Goodwill	\$ 1,088,243	\$ 1,088,243	\$ 1,088,243
Computer software	1,210,932	1,228,852	1,154,728
Others	<u>94,530</u>	<u>125,829</u>	<u>158,041</u>
	<u>\$ 2,393,705</u>	<u>\$ 2,442,924</u>	<u>\$ 2,401,012</u>



Movements in the Group's intangible assets were as follows:

	<b>Goodwill</b>	<b>Computer Software</b>	<b>Others</b>	<b>Total</b>
Balance January 1, 2024	\$ 1,088,243	\$ 1,228,852	\$ 125,829	\$ 2,442,924
Addition	-	103,183	-	103,183
Deductions	-	(2)	-	(2)
Amortization	-	(206,380)	(33,258)	(239,638)
Reclassifications	-	81,392	-	81,392
Effect of exchange rate changes	<u>-</u>	<u>3,887</u>	<u>1,959</u>	<u>5,846</u>
Balance June 30, 2024	<u>\$ 1,088,243</u>	<u>\$ 1,210,932</u>	<u>\$ 94,530</u>	<u>\$ 2,393,705</u>
Balance January 1, 2023	\$ 1,088,243	\$ 1,031,354	\$ 190,600	\$ 2,310,197
Addition	-	135,342	-	135,342
Amortization	-	(177,124)	(32,924)	(210,048)
Reclassifications	-	168,270	-	168,270
Effect of exchange rate changes	<u>-</u>	<u>(3,114)</u>	<u>365</u>	<u>(2,749)</u>
Balance June 30, 2023	<u>\$ 1,088,243</u>	<u>\$ 1,154,728</u>	<u>\$ 158,041</u>	<u>\$ 2,401,012</u>

The above intangible assets are amortized on a straight-line basis over the following estimated useful lives:

<u>Items</u>	<u>Years</u>
Computer software	1.33-10.58 years
Customer relationships	8-15 years

Goodwill in each above period will be tested for impairment annually and whenever there is an indication that it may be impaired. In assessing whether goodwill on an equity investment or an unamortized difference between the acquisition cost and the equity is impaired, the Company considered the credit card department of Bank SinoPac or the Company's investee company as a cash generating unit and estimated the recoverable amount of the investee's value in use. The Group used an investee's actual profitability and estimated salvage value in making key assumptions to predict the investee's future cash flows and thus calculate the investee's value in use. Under a going concern assumption, the Group predicted the net cash flows that would be generated from the investee's operating activities in the next 5 years and estimated the salvage value and used the Company's weighted average cost of capital to calculate the value in use. The goodwill had been tested for impairment on October 31, 2023 and 2022 recently.

Information on goodwill is summarized as follows:

- a. The amounts of \$876,717 was recognized as goodwill from Bank SinoPac's cash merger with SinoPac Card Services, and this merger was treated as a reorganization of the Company.

For the six months ended June 30, 2024, for the year ended December 31, 2023 and for the six months ended June 30, 2023 the amounts of net income affiliated with cash generating units were \$39,155, \$28,820 and \$16,939, respectively. The amounts of expected net income or loss for the years 2024 and 2023 as assessed by the impairment test on goodwill would be loss of \$88,215 and gain of \$28,252, respectively. The recoverable amount was expected to be higher than the book value. Therefore, the Company found no objective evidence that goodwill had been impaired as of June 30, 2024 and 2023.

b. As of June 30, 2024, SinoPac Securities and its subsidiaries had the following goodwill:

- 1) The goodwill on the merger of SinoPac Securities merged with Pacific Securities and BEA Securities Broker was \$147,944.

For the six months ended June 30, 2024, for the year ended December 31, 2023 and for the six months ended June 30, 2023, the amounts of net income which are not included share of profit of associates accounted for using equity method were \$2,282,689, \$2,928,629 and \$1,259,803, respectively. The amounts of expected net income were \$3,142,395 and \$1,911,782 in 2024 and 2023, respectively. The actual operating results were better than expected, the recoverable amount was expected to be higher than the book value. Therefore, the Group found no objective evidence that goodwill had been impaired.

- 2) The goodwill on the merger of SinoPac Futures with Pacific Securities Futures Broker and the shares that bought from other shareholders of SinoPac Futures were \$63,582.

For the six months ended June 30, 2024, for the year ended December 31, 2023 and for the six months ended June 30, 2023, actual net income of SinoPac Futures were \$359,681, \$664,582 and \$336,207, respectively. The amounts of expected net income for the years 2024 and 2023 used as basis for the assessment of impairment on goodwill were \$550,356 and \$391,486, respectively. There was no significant difference between the results of actual operation and expected benefit. The recoverable amount was expected to be higher than the book value. Therefore, the Group found no objective evidence that goodwill had been impaired.

The membership fee is considered to have an indefinite useful life and will not be amortized until its useful life is determined to be finite. Instead, it will be tested for impairment annually and whenever there is an indication that it may be impaired. For the six months ended June 30, 2024 and 2023, there were no significant impairments.

## 21. OTHER ASSETS, NET

	June 30, 2024	December 31, 2023	June 30, 2023
Guarantee deposits	\$ 11,316,293	\$ 9,946,732	\$ 5,593,234
Securities borrowing margins	8,776,021	8,681,272	8,964,870
Amounts held for settlement	8,503,839	7,461,964	7,371,116
Operating guarantee deposits and settlement fund	1,561,362	1,634,320	1,657,915
Prepayment	597,185	397,445	415,642
Temporary payments and suspense accounts	156,946	147,126	152,341
Receipts under custody from customers' security subscription	141,789	184,076	2,193
Others	<u>149,797</u>	<u>116,671</u>	<u>116,529</u>
	31,203,232	28,569,606	24,273,840
Less: Accumulated impairment	<u>(16,066)</u>	<u>(11,565)</u>	<u>(7,935)</u>
Net amount	<u>\$ 31,187,166</u>	<u>\$ 28,558,041</u>	<u>\$ 24,265,905</u>

Operating guarantee deposits is mainly used as the legal deposit paid to financial institutions designated by relevant authorities to hold these deposits when the subsidiaries register or sets up a branch office in accordance with government regulations.

Under government regulations, when companies accept consignments for trading on the centralized securities exchange market, they should deposit a settlement/clearing fund in the Taiwan Stock Exchange, Taipei Exchange, Taiwan Futures Exchange and overseas stock and futures exchanges.

## 22. DEPOSITS FROM THE CENTRAL BANK AND BANKS

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Call loans from banks	\$ 64,706,664	\$ 104,086,286	\$ 69,453,700
Redeposits from Chungwa Post	10,035,300	10,039,900	10,049,900
Call loans from Central Bank	1,623,255	1,537,624	1,557,632
Due to banks	<u>50,410</u>	<u>44,276</u>	<u>910,090</u>
	<u>\$ 76,415,629</u>	<u>\$ 115,708,086</u>	<u>\$ 81,971,322</u>

## 23. SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Government bonds	\$ 34,913,371	\$ 23,233,619	\$ 16,771,988
Corporate bonds	26,731,686	18,895,955	19,377,831
Bank debentures	20,962,639	20,096,128	26,727,316
Asset-based securities	6,316,199	-	-
Convertible bonds	<u>4,591,000</u>	<u>6,493,000</u>	<u>5,726,006</u>
	<u>\$ 93,514,895</u>	<u>\$ 68,718,702</u>	<u>\$ 68,603,141</u>
Agreed-upon repurchase price	\$ 94,253,048	\$ 69,380,502	\$ 69,031,728
Par value	\$ 103,167,268	\$ 74,113,923	\$ 74,127,014
Expiry	November 2024	June 2024	March 2024

## 24. COMMERCIAL PAPERS ISSUED, NET

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Commercial papers payables	\$ 71,525,000	\$ 54,140,000	\$ 41,640,000
Less: Unamortized discount	<u>(145,042)</u>	<u>(91,955)</u>	<u>(66,971)</u>
Net amount	<u>\$ 71,379,958</u>	<u>\$ 54,048,045</u>	<u>\$ 41,573,029</u>
Maturity date	2024.07-2024.12	2024.01-2024.06	2023.07-2023.12
Discount rate	1.4400%- 2.0380%	0.9180%- 1.7580%	0.9180%- 1.7990%

Except for free-guarantee items, commercial paper was guaranteed or acceptances were issued by the bill finance corporations or banks.

## 25. PAYABLES

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Accounts payable for settlement	\$ 29,193,400	\$ 21,076,527	\$ 19,901,050
Accounts and notes payable	12,017,063	3,387,947	3,473,507
Cash dividends payable	9,282,330	-	7,280,259
Interests payable	7,591,581	7,577,414	6,215,625
Settlement receivable	7,550,387	808,058	2,055,127
Acceptances payable	7,505,014	5,904,300	8,012,141
Accrued expense	5,927,344	6,793,450	4,527,130
Notes and checks in clearing	3,776,506	3,788,256	1,058,080
Accounts payable for securities purchased	2,708,089	1,076,856	3,157,624
Accounts payable - factoring	2,660,071	2,322,038	3,491,053
Financing guarantees payable	1,684,068	2,545,584	1,964,634
Deposits on short sales	1,448,448	2,170,918	1,758,639
Others	<u>3,407,632</u>	<u>2,729,111</u>	<u>2,854,881</u>
	<u>\$ 94,751,933</u>	<u>\$ 60,180,459</u>	<u>\$ 65,749,750</u>

## 26. DEPOSITS AND REMITTANCES

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Checking	\$ 11,903,953	\$ 12,572,966	\$ 9,299,361
Demand	509,152,525	446,729,001	438,686,867
Savings - demand	593,378,262	567,479,994	559,171,298
Time deposits	666,168,226	644,031,106	673,911,965
Negotiable certificates of deposits	12,625,900	11,506,900	12,728,100
Savings - time	348,086,262	331,469,385	313,433,628
Remittances outstanding	1,791,636	785,047	1,134,823
Remittances under custody	257,020	43,521	35,712
Others	<u>33,566</u>	<u>4,360,329</u>	<u>33,847</u>
	<u>\$ 2,143,397,350</u>	<u>\$ 2,018,978,249</u>	<u>\$ 2,008,435,601</u>

## 27. BONDS PAYABLE

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Bank debentures	\$ 53,483,707	\$ 56,832,276	\$ 56,251,467
Corporate bonds payable	<u>14,996,196</u>	<u>14,994,837</u>	<u>14,993,469</u>
	<u>\$ 68,479,903</u>	<u>\$ 71,827,113</u>	<u>\$ 71,244,936</u>

a. Bank debentures

To raise capital for its financial operation and increase its capital adequacy ratio, Bank SinoPac obtained approval from the FSC to issue bank debentures, as follows:

	June 30, 2024	December 31, 2023	June 30, 2023	Issue Period	Rates
Third subordinated bank debentures issued in 2014 (B)	\$ 699,986	\$ 699,958	\$ 699,931	2014.09.30-2024.09.30 Principal is repayable on maturity date.	Fixed interest rate of 2.05%, interest is paid annually.
Third subordinated bank debentures issued in 2016	-	-	1,419,938	2016.12.23-2023.12.23 Principal is repayable on maturity date.	Fixed interest rate of 1.50%, interest is paid annually.
First subordinated bank debentures issued in 2017 (A)	-	149,996	149,985	2017.02.24-2024.02.24 Principal is repayable on maturity date.	Fixed interest rate of 1.60%, interest is paid annually.
First subordinated bank debentures issued in 2017 (B)	2,099,679	2,099,619	2,099,562	2017.02.24-2027.02.24 Principal is repayable on maturity date.	Fixed interest rate of 1.90%, interest is paid annually.
Third subordinated bank debentures issued in 2017 (A)	-	199,990	199,980	2017.06.28-2024.06.28 Principal is repayable on maturity date.	Fixed interest rate of 1.70%, interest is paid annually.
Third subordinated bank debentures issued in 2017 (B)	539,886	539,868	539,850	2017.06.28-2027.06.28 Principal is repayable on maturity date.	Fixed interest rate of 1.95%, interest is paid annually.
Fourth subordinated bank debentures issued in 2017	3,000,000	3,000,000	3,000,000	2017.06.28, no maturity date and non-cumulative. The Bank has the right to call or buy back from the market after five and a half years.	Fixed interest rate of 4.00%, interest is paid annually.
First subordinated bank debentures issued in 2018 (A)	649,949	649,917	649,887	2018.04.30-2025.04.30 Principal is repayable on maturity date.	Fixed interest rate of 1.40%, interest is paid annually.
First subordinated bank debentures issued in 2018 (B)	499,871	499,855	499,839	2018.04.30-2028.04.30 Principal is repayable on maturity date.	Fixed interest rate of 1.65%, interest is paid annually.
First subordinated bank debentures issued in 2019	1,999,984	1,999,865	1,999,758	2019.01.25, no maturity date and non-cumulative. The Bank has the right to call or buy back from the market after five and a half years.	Fixed interest rate of 2.40%, interest is paid annually.
Second subordinated bank debentures issued in 2019 (A)	1,199,845	1,199,796	1,199,749	2019.01.25-2026.01.25 Principal is repayable on maturity date.	Fixed interest rate of 1.40%, interest is paid annually.
Second subordinated bank debentures issued in 2019 (B)	1,799,526	1,799,476	1,799,427	2019.01.25-2029.01.25 Principal is repayable on maturity date.	Fixed interest rate of 1.55%, interest is paid annually.
Third senior bank debentures issued in 2019	-	2,999,959	2,999,919	2019.06.26-2024.06.26 Principal is repayable on maturity date.	Fixed interest rate of 0.76%, interest is paid annually.
Fourth subordinated bank debentures issued in 2019	1,499,955	1,499,864	1,499,771	2019.08.23, no maturity date and non-cumulative. The Bank has the right to call or buy back from the market after five years and a month.	Fixed interest rate of 2.00%, interest is paid annually.
Fifth subordinated bank debentures issued in 2019 (A)	1,749,699	1,749,631	1,749,561	2019.08.23-2026.08.23 Principal is repayable on maturity date.	Fixed interest rate of 1.03%, interest is paid annually.
Fifth subordinated bank debentures issued in 2019 (B)	1,749,494	1,749,448	1,749,400	2019.08.23-2029.08.23 Principal is repayable on maturity date.	Fixed interest rate of 1.13%, interest is paid annually.
First subordinated bank debentures issued in 2020	2,999,808	2,999,720	2,999,636	2020.03.31, no maturity date and non-cumulative. The Bank has the right to call or buy back from the market after five years and four months.	Fixed interest rate of 1.35%, interest is paid annually.
Second subordinated bank debentures issued in 2020	1,999,617	1,999,584	1,999,552	2020.03.31-2030.03.31 Principal is repayable on maturity date.	Fixed interest rate of 0.75%, interest is paid annually.
Third subordinated bank debentures issued in 2020	2,899,856	2,899,789	2,899,725	2020.06.30, no maturity date and non-cumulative. The Bank has the right to call or buy back from the market after five years and a month.	Fixed interest rate of 1.85%, interest is paid annually.
Fourth subordinated bank debentures issued in 2020	2,599,599	2,599,567	2,599,535	2020.06.30-2030.06.30 Principal is repayable on maturity date.	Fixed interest rate of 1.00%, interest is paid annually.
Fifth subordinated bank debentures issued in 2020	2,099,873	2,099,828	2,099,782	2020.10.29, no maturity date and non-cumulative. The Bank has the right to call or buy back from the market after five years and a month.	Fixed interest rate of 1.70%, interest is paid annually.
Sixth subordinated bank debentures issued in 2020	2,399,643	2,399,616	2,399,588	2020.10.29-2030.10.29 Principal is repayable on maturity date.	Fixed interest rate of 0.87%, interest is paid annually.
Seventh senior bank debentures issued in 2020	999,903	999,868	999,832	2020.11.06-2025.11.06 Principal is repayable on maturity date.	Fixed interest rate of 0.46%, interest is paid annually.
First senior bank debentures issued in 2021	999,885	999,854	999,823	2021.05.18-2026.05.18 Principal is repayable on maturity date.	Fixed interest rate of 0.45%, interest is paid annually.
Second subordinated bank debentures issued in 2021	2,719,760	2,719,697	2,719,636	2021.05.28, no maturity date and non-cumulative. The Bank has the right to call or buy back from the market after five years and two months.	Fixed interest rate of 1.70%, interest is paid annually.
Third subordinated bank debentures issued in 2021	2,299,682	2,299,659	2,299,637	2021.05.28-2031.05.28 Principal is repayable on maturity date.	Fixed interest rate of 0.82%, interest is paid annually.
Fourth subordinated bank debentures issued in 2021	3,279,769	3,279,719	3,279,669	2021.10.28, no maturity date and non-cumulative. The Bank has the right to call or buy back from the market after five years and a month.	Fixed interest rate of 1.70%, interest is paid annually.
Fifth subordinated bank debentures issued in 2021	1,699,552	1,699,523	1,699,493	2021.10.28-2031.10.28 Principal is repayable on maturity date.	Fixed interest rate of 0.80%, interest is paid annually.
First subordinated bank debentures issued in 2022	4,999,483	4,999,394	4,999,309	2022.03.28, no maturity date and non-cumulative. The Bank has the right to call or buy back from the market after five years and four months.	Fixed interest rate of 2.00%, interest is paid annually.
Second senior bank debentures issued in 2022	1,999,773	1,999,733	1,999,693	2022.04.08-2027.04.08 Principal is repayable on maturity date.	Fixed interest rate of 0.78%, interest is paid annually.
First senior bank debentures issued in 2023	1,999,630	1,999,483	-	2023.09.14-2025.09.14 Principal is repayable on maturity date.	Fixed interest rate of 1.48%, interest is paid annually.
	<u>\$ 53,483,707</u>	<u>\$ 56,832,276</u>	<u>\$ 56,251,467</u>		

b. Corporate bonds payable

For the purpose of raising operating capital and strengthening financial structure, the Company and SinoPac Securities issued the corporate bonds as follows:

	June 30, 2024	December 31, 2023	June 30, 2023	Maturity	Rates
<u>The Company</u>					
First unsecured bonds issued in 2020	\$ 4,999,228	\$ 4,998,519	\$ 4,997,805	2020.01.15-2025.01.15 Principal is repayable on maturity date.	Fixed interest rate of 0.79%, interest is paid annually.
First unsecured bonds issued in 2021	4,996,968	4,996,318	4,995,664	2021.10.21-2026.10.21 Principal is repayable on maturity date.	Fixed interest rate of 0.56%, interest is paid annually.
<u>SinoPac Securities</u>					
First unsecured bonds issued in 2020	2,000,000	2,000,000	2,000,000	2020.01.08-2025.01.08 Principal is repayable on maturity date.	Fixed interest rate of 0.80%, interest is paid annually.
First unsecured subordinated bonds issued in 2022 (A)	400,000	400,000	400,000	2022.05.27-2029.05.27 Principal is repayable on maturity date.	Fixed interest rate of 2.00%, interest is paid annually.
First unsecured subordinated bonds issued in 2022 (B)	600,000	600,000	600,000	2022.05.27-2032.05.27 Principal is repayable on maturity date.	Fixed interest rate of 2.20%, interest is paid annually.
Second unsecured subordinated bonds issued in 2022 (A)	1,450,000	1,450,000	1,450,000	2022.08.26-2029.08.26 Principal is repayable on maturity date.	Fixed interest rate of 2.40%, interest is paid annually.
Second unsecured subordinated bonds issued in 2022 (B)	<u>550,000</u>	<u>550,000</u>	<u>550,000</u>	2022.08.26-2032.08.26 Principal is repayable on maturity date.	Fixed interest rate of 2.50%, interest is paid annually.
	<u>\$ 14,996,196</u>	<u>\$ 14,994,837</u>	<u>\$ 14,993,469</u>		

## 28. BORROWINGS

a. Short-term borrowings

	June 30, 2024	December 31, 2023	June 30, 2023
Credit loans	\$ 10,712,247	\$ 6,536,511	\$ 4,276,043
Guaranteed loans	<u>250,000</u>	<u>1,350,000</u>	<u>2,500,000</u>
	<u>\$ 10,962,247</u>	<u>\$ 7,886,511</u>	<u>\$ 6,776,043</u>
Maturity date	2024.7-2025.6	2024.1-2024.12	2023.7-2024.6
Range of interest rates per annum	1.78%-10%	1.63%-9.3%	1.6%-6.42%

b. Long-term borrowings

	June 30, 2024	December 31, 2023	June 30, 2023
Credit loans	\$ 1,254,801	\$ 122,000	\$ 978,121
Guaranteed loans	<u>1,850,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,104,801</u>	<u>\$ 122,000</u>	<u>\$ 978,121</u>
Maturity date	2024.8-2027.1	2025.3-2025.9	2023.7-2025.3
Range of interest rates per annum	1.76%-4.45%	4.325%-4.55%	4.4250%-6.4%

### SinoPac Securities

To meet the funding requirements, SinoPac Securities (Cayman) obtained syndicated loans with financial institutions in December 2021 in the amounts of US\$45,000 thousand. The terms of the syndicated loans were three years start from the date of first drawdowns or contract date. The loans could be taken on revolving basis. SinoPac Securities (Cayman) could not pledge its ownership interest of subsidiaries to others during the terms of the loans.

### SinoPac Leasing

To raise working capital, SinoPac Capital International (HK) Limited entered into a syndicated loan agreement (“2020 agreement”) of US\$160,000 thousand with a syndicate of 9 banks led by Mega International Commercial Bank in December 2020. The term of the syndicated loan transaction is three years from the first drawdown date. The quota was canceled on November 20, 2023.

To raise working capital, SinoPac Capital International (HK) Limited entered into a syndicated loan agreement (“2023 agreement”) of US\$120,000 thousand with a syndicate of 8 banks led by First Commercial Bank in December 2023. The term of the syndicated loan transaction is three years from the first drawdown date. In accordance with the terms of the agreements, the debt ratios and interest coverage multiples in the annual financial statements should be maintained during the loan period, and any violation of the agreements should be rectified in accordance with the agreements.

To raise working capital, SinoPac International Leasing Corp. entered into a syndicated loan agreement of CNY380,000 thousand with a syndicate of 5 banks led by Mega International Commercial Bank in December 2023. The term of the syndicated loan transaction is three years from the first drawdown date. In accordance with the terms of the agreements, the ratio of own funds, interest coverage multiple, non-performing loan ratio, and tangible net worth in the annual financial report should be maintained during the loan period, and any violation of the agreements should be rectified in accordance with the agreements.

Assets mortgaged or pledged as collaterals for borrowings are shown in Note 46.

## 29. PROVISIONS

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Provision for employee benefits	\$ 2,496,220	\$ 2,687,639	\$ 2,158,436
Provision for financing commitment	132,304	236,520	340,710
Provision for guarantee liabilities	302,291	302,018	345,955
Provision for decommissioning liabilities	172,423	172,241	162,354
Other provision	<u>10,659</u>	<u>10,835</u>	<u>13,005</u>
	<u>\$ 3,113,897</u>	<u>\$ 3,409,253</u>	<u>\$ 3,020,460</u>

The Group's movements of provision for financing commitment, provision for guarantee liabilities and other provisions were as follows:

	<b>For the Six Months Ended June 30, 2024</b>		
	<b>Provision for Financing Commitment</b>	<b>Provision for Guarantee Liabilities</b>	<b>Other Provision</b>
Balance at January 1	\$ 236,520	\$ 302,018	\$ 10,835
Provision (reversal of provision)	(109,386)	60	(654)
Effect of exchange rate changes	<u>5,170</u>	<u>213</u>	<u>478</u>
Balance at June 30	<u>\$ 132,304</u>	<u>\$ 302,291</u>	<u>\$ 10,659</u>

	<b>For the Six Months Ended June 30, 2023</b>		
	<b>Provision for Financing Commitment</b>	<b>Provision for Guarantee Liabilities</b>	<b>Other Provision</b>
Balance at January 1	\$ 287,905	\$ 339,536	\$ 16,187
Provision (reversal of provision)	51,207	6,335	(3,121)
Effect of exchange rate changes	<u>1,598</u>	<u>84</u>	<u>(61)</u>
Balance at June 30	<u>\$ 340,710</u>	<u>\$ 345,955</u>	<u>\$ 13,005</u>

### 30. PROVISION FOR EMPLOYEE BENEFITS

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Recognized in the consolidated balance sheets (payables and provisions)			
Defined contribution plans	\$ 87,332	\$ 81,358	\$ 80,280
Defined benefit plans	1,835,493	2,015,661	1,528,955
Preferential interest on employees' deposits	373,568	366,026	351,805
Others	<u>287,159</u>	<u>305,952</u>	<u>277,676</u>
	<u>\$ 2,583,552</u>	<u>\$ 2,768,997</u>	<u>\$ 2,238,716</u>

Others included long-term incentive compensation plans; deferred service leave and termination benefits. On June 30, 2024, December 31, 2023 and June 30, 2023, the liabilities related to cash-settled share-based payments of long-term incentive compensation plans were recognized as \$257,542, \$269,433 and \$244,034, respectively, the acquired total embedded value of which were \$213,908, \$213,908 and \$192,799, respectively.



The pension expenses related to defined benefit plans and preferential interest on employee's deposits plan are recognized according to the results of actuarial valuation on December 31, 2023 and 2022.

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Operating expenses	\$ 49,493	\$ 51,055

### 31. OTHER FINANCIAL LIABILITIES

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Principal of structured products	\$ 57,828,839	\$ 47,757,392	\$ 49,038,903
Futures trader's equity	37,299,720	30,799,001	35,309,602
Equity for each customer in the account	527,448	765,753	797,089
Others	<u>97,118</u>	<u>96,486</u>	<u>138,753</u>
	<u>\$ 95,753,125</u>	<u>\$ 79,418,632</u>	<u>\$ 85,284,347</u>

### 32. OTHER LIABILITIES

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Securities lending refundable deposits	\$ 7,415,061	\$ 8,083,988	\$ 9,113,334
Guarantee deposits received	5,676,831	6,929,308	3,497,066
Temporary receipts and suspense accounts	767,330	1,327,448	907,356
Advance revenue	445,649	294,943	340,239
Receipts under custody from customers' security subscription	141,789	184,076	2,193
Deferred revenue	101,146	89,819	94,709
Others	<u>57,230</u>	<u>55,562</u>	<u>69,595</u>
	<u>\$ 14,605,036</u>	<u>\$ 16,965,144</u>	<u>\$ 14,024,492</u>

### 33. INCOME TAX

Under Article 49 of the Financial Holding Company Act and related directives issued by the Ministry of Finance, a financial holding company and its domestic subsidiaries that hold over 90% of shares issued by the financial holding company for 12 months within the same tax year may choose to adopt the linked-tax system for income tax filings.

The Company has used the linked-tax system for income tax and unappropriated earnings tax filings with its qualified subsidiaries since 2003.

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Current tax				
Current period	\$ 1,051,561	\$ 819,079	\$ 2,238,759	\$ 1,862,037
Unappropriated earnings	881,376	-	881,376	-
Prior periods	(53,648)	(52,939)	(32,635)	(52,883)
Others	<u>15,393</u>	<u>11,147</u>	<u>15,393</u>	<u>11,147</u>
	<u>1,894,682</u>	<u>777,287</u>	<u>3,102,893</u>	<u>1,820,301</u>
Deferred tax				
Incurrence and reversal of temporary differences	<u>(171,915)</u>	<u>67,608</u>	<u>(134,447)</u>	<u>(198,321)</u>
Income tax expenses recognized in profit or loss	<u>\$ 1,722,767</u>	<u>\$ 844,895</u>	<u>\$ 2,968,446</u>	<u>\$ 1,621,980</u>

The ROC Income Tax Act was 20%. The rate of unappropriated earnings was 5%. Other jurisdictions are calculated based on the respective income tax rate.

b. Income tax recognized in other comprehensive income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
<u>Deferred tax</u>				
Adjustments of current period				
Exchange difference on translation of foreign operations	\$ (44,544)	\$ 57,007	\$ (152,591)	\$ 59,091
Unrealized gain or loss on financial assets measured at fair value through other comprehensive income	(24,581)	(24,008)	(35,732)	(30,328)
Share of the other comprehensive income of associate	<u>193</u>	<u>708</u>	<u>832</u>	<u>515</u>
Income tax recognized in other comprehensive income	<u>\$ (68,932)</u>	<u>\$ 33,707</u>	<u>\$ (187,491)</u>	<u>\$ 29,278</u>

- c. The income tax returns of SinoPac Securities through 2018 have been examined by the tax authorities, of which the 2014 to 2018 tax returns were disallowed items, such as the allocation principle of operating expenses and interest expenses as well as the amortization; therefore, the Corporation filed appeals for the authorities' reconsideration of the assessments. Even if this matter was still unresolved, the Corporation accrued and paid \$109,353 assessed by the tax authorities as additional income tax expenses.

- d. SinoPac Call Center was merged into Bank SinoPac in 2019. The assessed years of profit - seeking enterprise income tax were approved to 2018.
- e. The status of the subsidiaries' examined income tax returns is as follows:

	<u>Examined Year</u>
SPH	2018
Bank SinoPac	2018
SinoPac Venture Capital	2018
SinoPac Leasing	2018
SinoPac Securities Investment Trust	2018
SinoPac Futures	2022
SinoPac Securities Investment Service	2022
SinoPac Securities Venture Capital	2022

- f. Pillar Two Income Tax Legislation

The government of Vietnam, where subsidiary Bank SinoPac's Ho Chi Minh City branch is incorporated, enacted the Pillar Two income tax legislation effective from January 1, 2024.

The government of U.K., where subsidiary SinoPac Securities (Europe) is incorporated, enacted the Pillar Two income tax legislation effective from January 1, 2024.

The Group will continue to assess the impact of the Pillar Two Income Tax Act on its future financial performance.

### 34. EQUITY

- a. Capital stock

- 1) Common stock

The Company had an authorized capital of \$180,000,000 divided into 18,000,000 thousand shares, with a par value of NT\$10. The authorized capital can be issued in installments upon approval of the board of directors. Of the authorized capital, 500,000 thousand shares had been reserved for issuing stock option certificates, stock warrants associated with preferred stock and stock warrants associated with corporate bonds. The subscription shares issued on the exercise of employee stock options were subject to the regulations of the Securities and Futures Bureau.

On June 7, 2024, the shareholders' meeting resolved to issue 309,411 thousand common shares with earnings reallocated as capital at a par value of NT\$10 each, as totally \$3,094,110 and then increasing the share capital issued and fully paid to \$126,858,509. The above transaction was approved by authorities and set August 28, 2024 as the record date.

On May 24, 2023, the shareholders' meeting resolved to issue 242,675 thousand common shares with earnings reallocated as capital at a par value of NT\$10 each, as totally \$2,426,753 and then increasing the share capital issued and fully paid to \$123,764,399. The above transaction was approved by authorities and set August 15, 2023 as the record date.

To strengthen the capital structure, increase ratio of common equity, and meet the demand for operation and expanding the business, The board of the Company resolved to plan to issue ordinary shares in terms of public subscription to increase capital cash on October 21, 2022, and the upper limit was 800 million shares with a par value of NT\$10. The actual offering price and shares would conduct when authorized chairman to negotiate with underwriters in accordance with related regulations and recent market circumstance. This case was approved by the Financial Supervisory Commission (FSC) on December 27, 2022 under guidelines No. 1110366677, and the chairman approved the issuance of 750 million shares at a price of NT\$15 per share. The above transaction was set March 15, 2023 as the record date, then increasing the share capital issued and fully paid to \$121,337,646.

## 2) Preferred shares

To strengthen its financial structure, raise its capital adequacy ratio and increase its operating capital, the Company proposed the issuance of preferred Class A shares, with the effective date of May 15, 2009, at a price of NT\$6 per share.

Major terms and conditions of the preferred Class A shares are as follows:

- a) The current year's earnings will be first used to cover losses of the past years as well as settle all taxes payable. The balance will then be used to appropriate legal reserve and special reserve and to reverse a special reserve in accordance with relevant laws and regulations and the corporate charter. The remainder will then be used to pay the accrued dividends of the past years and dividend of the current year.
- b) In the 15 years after the offering, dividends will be calculated at floating rates, using the annual deposit interest rates of Chunghwa Post Co., Ltd. for the period starting from the capital increase record date to the first anniversary of the offering plus 0.7%; from the 16th year and on, dividends will be calculated at the annual interest rates of Chunghwa Post Co., Ltd. at the anniversary of the offering, plus 1.5%. Dividends are payable in cash annually on the basis of the actual offering price. The date of dividend payment will be determined by the board after the shareholders' meeting approves the Company's audited operating results. The Board will then decide the record date for the payment of the previous year's dividend. Dividends for the year of initial share offering and for the buyback year are calculated using the number of days the shares have been outstanding, and the dividend for the buyback year should be paid when a notice is served after the following year's shareholders' meeting.
- c) If no earnings are available, earnings are insufficient to fully pay dividends of preferred Class A stock, or the dividend payout will result in the consolidated capital adequacy ratio falling below the minimum amount set by laws and regulations or administrative bodies, the current year's dividends should be accrued together with those of the past years and paid preferentially in the following surplus years.
- d) For the distribution of the Company's residual assets, preference is given to preferred Class A shareholders instead of common shareholders, with the amount not exceeding the offering amount and accrued dividends payable.
- e) Preferred Class A shareholders do not have voting rights in shareholders' meetings but have the right to be elected as board directors. Nonetheless, preferred Class A shareholders are entitled to in the meetings of preferred Class A shareholders.

- f) Preferred Class A shareholders are not entitled to payouts from earnings as well as capital reserve meant for common stock, but they may receive dividends mentioned in paragraph (b) above.
- g) If new shares are issued, preferred Class A shareholders have the preferential right of subscription.
- h) Within three years of the preferred Class A stock offering, preferred Class A shareholders are entitled to convert all or part of their holdings into common stock on a one-for-one basis at any time, except when the registration of the conversion is suspended in accordance with relevant laws and regulations and when the offering falls within a period starting from the third business day after the date of the board of directors' announcement of its decision on the ex-dividend dates for the stock dividends, cash dividends and rights issues - which involve the suspension of stock registration on certain dates - till the record dates on the above dividends and rights. After conversion, the rights of the holders of the converted shares become the same as those of the common stock.
- i) Preferred Class A shares are not entitled to preferred dividends of the current year and the following year's dividend payout for the preferred stock if they had been converted into common stock before the record date (for common dividend distribution). In addition, if preferred stock dividends have already been paid in the year when preferred Class A shares have been converted to common stock, holders of the converted shares are not entitled to common dividends paid out in the year of the conversion. In the following years, accrued preferred dividends should be paid ahead of common dividends in the year and thereafter.
- j) Preferred Class A stock has no maturity date. Within 15 years of share offering, all or part of the preferred Class A shares may be bought back at a price based on the offering price plus accrued dividends of the past years and on the basis of the number of days the shares have been outstanding in the current year. For this buyback, the Company will use the money raised through earnings generation, new share offerings or any other means as permitted by relevant laws and regulations. If the Company wants to buy back preferred Class A shares, a written notice should be given to the shareholders 30 days before the buyback. The right to convert the preferred shares into common stock within this period will not be affected by this notice.

There were 70,000 thousand preferred Class A shares. Under IAS 32 "Financial Instruments: Presentation", the Company bifurcated the conversion rights embedded in the preferred Class A stock and the liability component, which amounted to \$290,940 (recorded as capital surplus - conversion rights, such capital surplus may not be used for any purpose) and \$129,060, respectively. The related public issuance procedures had been completed, with the registration of these procedures approved by the Financial Supervisory Commission (FSC) under guidelines No. 1010058323. As of June 30, 2024, preferred Class A shares had been converted into 60,000 thousand common stock.

b. Capital surplus

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Share premium	\$ 6,083,151	\$ 6,083,151	\$ 6,083,151
Conversion rights	41,562	41,562	41,562
Others	<u>4,648</u>	<u>4,648</u>	<u>4,648</u>
	<u>\$ 6,129,361</u>	<u>\$ 6,129,361</u>	<u>\$ 6,129,361</u>

The premium from shares issued in excess of par (share premium from issuance of common stock, conversion of bonds and treasury stock transactions) and donations may be used to offset a deficit; in addition, when the Company has no deficit, the capital surplus may be distributed as cash dividends or transferred to capital (limited to a certain percentage of the Company’s paid-in capital and once a year).

In accordance with the Company Act, the amount recognized from changes in equity of local associates and joint venture accounted for using equity method can be used to cover accumulated deficits.

On October 21, 2022, the board of directors of the Company, approved a capital increase and retained 10% of shares for subscription by the Group’s employees. The criteria for the employee entitlement to the employee share options were in accordance with IFRS 2 “Share-based Payment”. Under IFRS 2, share options granted by a parent company to a subsidiary’s employees should be treated as equity-settled share-based payments that match the service provided by employees and are recognized as equity increase due to parent’s contribution. The amount of the Company’s capital surplus - share-based payments was \$150,580, determined on the basis of the grant-date fair value of the employee share options in the first quarter of 2023 and recognized as capital surplus - share premium.

Options were priced using the Black-Scholes pricing model. The inputs into the model were as follows:

	<b>February 15, 2023</b>
Grate-date stock price	\$17.2
Issue price	\$15
Volatility	23.10%
Duration	0.058 year
Risk-free interest rate	0.7023%

The volatility was based on historical annualized standard deviation of return rates from February 15, 2022 to February 15, 2023. The return rates over time were measured using natural logarithm of daily restored closing stock price.

Under the Financial Holding Company Act and related directives of the Securities and Futures Bureau, if the capital surplus obtained by a financial holding company through a share swap comes from its subsidiaries’ unappropriated retained earnings after legal and special reserves, the surplus is exempted from the restriction stated in the Securities and Exchange Act (Ref No. 0910016280). This surplus was distributed together with 2004 earnings.

c. Earnings distribution and dividend policy

The Company’s Articles of Incorporation provide that annual net income should be appropriated after deducting any accumulated losses and taxes and providing legal and special reserves and reversing special reserve. The remaining earnings will be used to pay the accumulated and current year’s dividends of Class-A preferred shares, and at least 30 percent of retained earnings in the current year will be appropriated as ordinary share dividends, then the board of directors will prepare a proposal for approval at the shareholders’ meeting on the appropriation of the remaining earnings and the retained earnings from previous years.

When legal reserve reaches the full amount of the Company's paid-in capital, legal reserve appropriation could be suspended.

The Company appropriates or reverses a special reserve in accordance with Rule No. 1090150022. If there's a net deduction of other equity accumulated in the previous period, the Company should appropriate the same amount of special reserve from the unappropriated retained earnings in the previous period, if there's still a shortage, the Company should appropriate special reserve which is from the current net income after tax and the current unappropriated retained earning not included in the current net income after tax.

Based on the Company's operating plans, the dividend policy is to distribute most dividends in the form of stock to meet capital needs. The cash dividends will be declared only when there is an excess of cash and cash dividends should not be less than 10% of total dividends declared.

Cash dividends and cash bonuses are paid after the approval of the shareholders, while the distribution of stock dividends requires the additional approval of the authorities.

Legal reserve should be appropriated until it has reached the amount of the Company's paid-in capital. This reserve may be used to offset a deficit. When the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriation of earnings for 2022 had been approved in the shareholder's meetings on May 24, 2023. The appropriation and dividends per share are as follows:

	<b>Appropriation of Earnings</b>	<b>Dividends Per Share (NT\$)</b>
Legal reserve	\$ 1,638,996	
Special reserve	14,200,212	
Cash dividends	7,280,259	\$ 0.60
Stock dividends	2,426,753	0.20

The appropriation of earnings for 2023 had been approved in the shareholder's meetings on June 7, 2024. The appropriation and dividends per share are as follows:

	<b>Appropriation of Earnings</b>	<b>Dividends Per Share (NT\$)</b>
Legal reserve	\$ 2,115,440	
Reversal of special reserve	(9,042,496)	
Cash dividends	9,282,330	\$ 0.75
Stock dividends	3,094,110	0.25

The shareholders' meeting has established that in future cases of a share buyback, conversion of preferred shares into common stock or other situations that lead to changes in the numbers of shares outstanding or shareholders waive the right to dividends, the board of directors has the authority to make adjustments.

d. Other equity items

	Exchange Differences on Translation of Foreign Operations	Unrealized Gain or Loss on Financial Assets at Fair Value Through Other Comprehensive Income		Change in Fair Value of Financial Liability Attributable to Change in Credit Risk of Liability	Total
		Equity Instrument	Debt Instrument		
Balance January 1, 2024	\$ (1,375,957)	\$ 5,926,908	\$ (9,666,396)	\$ (42,271)	\$ (5,157,716)
Exchange differences					
Exchange differences on translation of foreign operations	747,232	-	-	-	747,232
Related income tax	(152,591)	-	-	-	(152,591)
Financial assets at fair value through other comprehensive income					
Current adjustment for change in value	-	4,389,647	(1,894,342)	-	2,495,305
Adjustment for loss allowance of debt instruments	-	-	27,069	-	27,069
Current disposal	-	-	(399,908)	-	(399,908)
Cumulative realized gain or loss transferred to retained earnings due to disposal	-	(3,652,885)	-	-	(3,652,885)
Related income tax	-	(9,442)	(26,290)	-	(35,732)
Share of the other comprehensive income of associates accounted for using equity method					
Current amounts	(4,161)	-	-	-	(4,161)
Related income tax	832	-	-	-	832
Change in fair value of financial liability attributable to change in credit risk of liability					
Change in amount	-	-	-	14,889	14,889
Balance June 30, 2024	<u>\$ (784,645)</u>	<u>\$ 6,654,228</u>	<u>\$ (11,959,867)</u>	<u>\$ (27,382)</u>	<u>\$ (6,117,666)</u>

  

	Exchange Differences on Translation of Foreign Operations	Unrealized Gain or Loss on Financial Assets at Fair Value Through Other Comprehensive Income		Change in Fair Value of Financial Liability Attributable to Change in Credit Risk of Liability	Total
		Equity Instrument	Debt Instrument		
Balance January 1, 2023	\$ (1,190,869)	\$ 269,582	\$ (13,232,280)	\$ (46,645)	\$ (14,200,212)
Exchange differences					
Exchange differences on translation of foreign operations	(300,200)	-	-	-	(300,200)
Related income tax	59,091	-	-	-	59,091
Financial assets at fair value through other comprehensive income					
Current adjustment for change in value	-	3,927,048	1,247,900	-	5,174,948
Adjustment for loss allowance of debt instruments	-	-	(12,987)	-	(12,987)
Current disposal	-	-	(92,177)	-	(92,177)
Cumulative realized gain or loss transferred to retained earnings due to disposal	-	(19,518)	-	-	(19,518)
Related income tax	-	(4,396)	(25,932)	-	(30,328)

(Continued)



	Exchange Differences on Translation of Foreign Operations	Unrealized Gain or Loss on Financial Assets at Fair Value Through Other Comprehensive Income		Change in Fair Value of Financial Liability Attributable to Change in Credit Risk of Liability	Total
		Equity Instrument	Debt Instrument		
Share of the other comprehensive income of associates accounted for using equity method					
Current amounts	\$ (2,577)	\$ -	\$ -	\$ -	\$ (2,577)
Related income tax	515	-	-	-	515
Change in fair value of financial liability attributable to change in credit risk of liability					
Change in amount	-	-	-	(498)	(498)
Balance June 30, 2023	<u>\$ (1,434,040)</u>	<u>\$ 4,172,716</u>	<u>\$ (12,115,476)</u>	<u>\$ (47,143)</u>	<u>\$ (9,423,943)</u>

(Concluded)

### 35. NET INTEREST REVENUE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Interest income				
Discounts and loans	\$ 12,938,397	\$ 11,299,697	\$ 25,022,116	\$ 21,823,899
Investment securities interest	4,548,436	3,511,622	8,739,008	6,673,152
Due from the Central Bank and other banks	1,057,690	2,007,770	2,302,356	4,662,954
Securities purchased under resell agreements	650,738	507,919	1,208,316	965,498
Financing	574,983	352,535	1,089,386	665,758
Deposits	266,916	265,969	550,343	512,893
Credit card revolving interest rate income	141,384	127,297	294,110	255,364
Others	634,191	413,384	1,185,558	826,468
	<u>20,812,735</u>	<u>18,486,193</u>	<u>40,391,193</u>	<u>36,385,986</u>
Interest expense				
Deposits	(10,999,376)	(9,534,394)	(21,702,466)	(18,829,656)
Call loans from banks	(1,156,546)	(910,654)	(2,130,766)	(1,684,466)
Securities sold under repurchase agreements	(952,727)	(673,408)	(1,722,126)	(1,241,641)
Interest expense of structured products	(687,010)	(562,956)	(1,294,757)	(963,679)
Borrowing	(341,473)	(209,671)	(639,711)	(394,683)
Bank debentures	(216,552)	(215,892)	(433,791)	(429,456)
Others	(333,343)	(215,174)	(611,195)	(366,957)
	<u>(14,687,027)</u>	<u>(12,322,149)</u>	<u>(28,534,812)</u>	<u>(23,910,538)</u>
Net amount	<u>\$ 6,125,708</u>	<u>\$ 6,164,044</u>	<u>\$ 11,856,381</u>	<u>\$ 12,475,448</u>

### 36. SERVICE FEE AND COMMISSIONS INCOME, NET

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Commissions and fee revenue				
Brokerage services	\$ 2,874,757	\$ 1,921,431	\$ 5,349,252	\$ 3,624,708
Trust and related services	995,642	759,216	2,101,019	1,478,390
Loan services	782,313	627,916	1,880,713	1,531,736
Insurance services	582,419	663,507	1,655,596	978,140
Credit card services	231,096	206,295	426,217	419,664
Others	454,819	417,726	1,114,923	841,600
	<u>5,921,046</u>	<u>4,596,091</u>	<u>12,527,720</u>	<u>8,874,238</u>
Commissions and fee expense				
Brokerage services	(268,160)	(171,232)	(478,201)	(314,813)
Credit card services	(237,132)	(204,100)	(455,910)	(401,926)
Interbank services	(98,195)	(88,314)	(196,700)	(177,418)
Trust services	(79,509)	(62,724)	(152,738)	(119,084)
Settlement and delivery services	(50,223)	(35,999)	(90,176)	(70,392)
Futures commission	(32,712)	(37,734)	(65,439)	(74,242)
Others	(203,547)	(160,111)	(376,871)	(289,858)
	<u>(969,478)</u>	<u>(760,214)</u>	<u>(1,816,035)</u>	<u>(1,447,733)</u>
Net amount	<u>\$ 4,951,568</u>	<u>\$ 3,835,877</u>	<u>\$ 10,711,685</u>	<u>\$ 7,426,505</u>

### 37. GAINS ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS, NET

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Disposal gain (loss) on financial assets and liabilities at fair value through profit or loss				
Operating securities - proprietary	\$ 3,071,135	\$ 1,356,379	\$ 6,276,902	\$ 1,755,686
Operating securities - hedging	322,035	112,830	705,259	207,763
Stocks	71,162	117,946	166,615	143,032
Corporate bonds	18,569	(4,646)	31,780	(251,428)
Securities lending and short sales bonds under resell agreements transactions	(421,800)	(465,376)	(1,207,636)	(532,581)
Currency swap contracts	1,846,013	716,305	3,528,298	1,571,961
Forward exchange contracts	913,826	122,204	1,611,561	423,597
Interest rate swap contracts	209,891	160,874	197,081	730,742
Option contracts	123,905	127,073	189,423	(130,349)
Issuance of call (put) warrants	96,484	(74,074)	90,753	439,164
Asset swap contracts	(281,858)	(175,550)	(609,478)	(304,703)
Futures contracts	(2,093,748)	(1,379,313)	(3,783,467)	(1,062,304)
Others	3,992	(14,623)	29,695	14,830
	<u>3,879,606</u>	<u>600,029</u>	<u>7,226,786</u>	<u>3,005,410</u>

(Continued)

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Unrealized gain (loss) on financial assets and liabilities at fair value through profit or loss				
Operating securities - proprietary	\$ 642,401	\$ 610,014	\$ 1,496,846	\$ 1,937,128
Stocks	150,498	60,596	358,561	172,783
Operating securities - hedging	227,918	31,807	280,535	89,178
Corporate bonds	(38,842)	(47,599)	(44,113)	369,551
Securities lending and short sales bonds under resell agreements transactions	(463,931)	(90,516)	(440,296)	(1,337,617)
Forward exchange contracts	(29,193)	650,477	1,278,084	365,750
Interest rate swap contracts	214,139	245,287	833,163	(497,065)
Future margin - marketable securities	219,023	192,476	178,052	209,772
Option contracts	(93,004)	(148,067)	(355,322)	473,482
Futures contracts	(92,001)	(370,310)	(391,137)	(350,044)
Currency swap contracts	(235,320)	343,188	(498,833)	446,845
Issuance of call (put) warrants	(372,655)	9,593	(597,039)	(551,694)
Asset swap contracts	(397,209)	(128,332)	(899,077)	(352,984)
Others	(40,819)	(29,340)	(156,852)	5,793
	<u>(308,995)</u>	<u>1,329,274</u>	<u>1,042,572</u>	<u>980,878</u>
Interest income	<u>501,663</u>	<u>256,165</u>	<u>954,025</u>	<u>473,702</u>
Dividend income	<u>241,451</u>	<u>647,147</u>	<u>346,986</u>	<u>698,214</u>
	<u>\$ 4,313,725</u>	<u>\$ 2,832,615</u>	<u>\$ 9,570,369</u>	<u>\$ 5,158,204</u>

(Concluded)

### 38. REALIZED GAINS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Dividend income				
Held at the end of the reporting period	\$ 180,285	\$ 609,665	\$ 273,538	\$ 708,459
Disposed in the reporting period	69,853	34,800	106,800	36,849
Gain from disposal of debt instruments	<u>193,809</u>	<u>89,982</u>	<u>399,908</u>	<u>92,177</u>
	<u>\$ 443,947</u>	<u>\$ 734,447</u>	<u>\$ 780,246</u>	<u>\$ 837,485</u>

**39. (IMPAIRMENT LOSS ON ASSETS) REVERSAL OF IMPAIRMENT LOSS ON ASSETS**

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Reversal of impairment losses (impairment losses) on other financial assets	\$ (23,315)	\$ 53,784	\$ 10,937	\$ 76,603
Others	<u>(27,055)</u>	<u>7,002</u>	<u>(29,698)</u>	<u>4,930</u>
	<u>\$ (50,370)</u>	<u>\$ 60,786</u>	<u>\$ (18,761)</u>	<u>\$ 81,533</u>

**40. NET OTHER REVENUE OTHER THAN INTEREST INCOME**

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Securities lending	\$ 192,517	\$ 153,164	\$ 357,136	\$ 297,630
Operating assets rental income	41,108	47,236	83,095	95,305
Stock affairs agent revenue	41,615	39,551	71,101	67,029
Overdue account recovery	1,625	582	39,523	1,694
Rental income	13,234	14,239	26,377	28,894
Transaction bonus	7,935	4,839	14,268	11,787
Expense arising from issuance of call (put) warrants	(80,971)	(29,611)	(144,950)	(71,825)
Others	<u>56,019</u>	<u>27,445</u>	<u>91,773</u>	<u>49,493</u>
	<u>\$ 273,082</u>	<u>\$ 257,445</u>	<u>\$ 538,323</u>	<u>\$ 480,007</u>

**41. EMPLOYEE BENEFITS EXPENSES**

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Salaries and wages	\$ 4,655,601	\$ 3,872,884	\$ 9,319,843	\$ 7,523,954
Labor insurance and national health insurance	266,910	231,131	577,764	531,854
Pension costs	141,824	131,505	281,530	260,514
Share-based payment transaction				
Equity-settled (Note 34)	-	-	-	150,580
Cash-settled	3,930	16,163	9,990	18,559
Others	<u>303,181</u>	<u>289,944</u>	<u>580,098</u>	<u>564,643</u>
	<u>\$ 5,371,446</u>	<u>\$ 4,541,627</u>	<u>\$ 10,769,225</u>	<u>\$ 9,050,104</u>

The Company's Articles of Incorporation provide that the Company shall allocate from annual profit more than 0.01% as employees' compensation and not more than 1% as remuneration of directors. When the company has accumulated losses, it should reserve the amount to cover deficit in advance.

For the six months ended June 30, 2024 and 2023, the compensation were \$1,271 and \$997, respectively and the remuneration of directors were \$27,951 and \$23,931, respectively. These amounts were estimated on the basis of the provisions of the Company's Articles of Incorporation and past experience.

If there is a change in the proposed amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in accounting estimate.

The board of directors approved \$2,000 as employees' compensation and \$43,200 as remuneration of directors on January 26, 2024 and February 23, 2024, respectively. These amounts were the same as those recognized in the financial statements and will be delivered entirely in cash. The approval has been reported in the shareholders' meeting on June 7, 2024.

The board of directors approved \$2,000 as employees' compensation and \$36,000 as remuneration of directors on January 13, 2023 and February 24, 2023, respectively. These amounts were the same as those recognized in the financial statements and will be delivered entirely in cash. The approval has been reported in the shareholders' meeting on May 24, 2023.

The information on the proposed and approved compensations to employees and directors is available at the Market Observation Post System (M.O.P.S.) website of the Taiwan Stock Exchange.

For short-term and long-term compensation, the Company has sets up a long-term incentive compensation plan, which defers the delivery of performance bonus to the Group's high-level managers, and links the stock price of the Company with the long-term performance index. The Group expects to use virtual stocks and future stock price to calculate the compensation and deliver in cash. The Group recognizes the compensation as cash-settled share-based employee benefits expense.

#### 42. DEPRECIATION AND AMORTIZATION EXPENSE

	For the Three Months Ended		For the Six Months Ended	
	June 30		June 30	
	2024	2023	2024	2023
Depreciation expense				
Land improvements	\$ 81	\$ 125	\$ 163	\$ 251
Buildings	52,029	54,848	104,706	109,864
Machinery and computer equipment	107,404	101,672	212,848	208,064
Transportation equipment	20,741	23,294	40,653	45,868
Other equipment	36,110	33,014	71,395	65,697
Leasehold improvements	31,149	26,127	61,717	51,682
Right-of-use assets	<u>260,715</u>	<u>239,195</u>	<u>511,739</u>	<u>470,664</u>
	<u>508,229</u>	<u>478,275</u>	<u>1,003,221</u>	<u>952,090</u>
Amortization expense	<u>119,672</u>	<u>107,261</u>	<u>239,638</u>	<u>210,048</u>
	<u>\$ 627,901</u>	<u>\$ 585,536</u>	<u>\$ 1,242,859</u>	<u>\$ 1,162,138</u>

#### 43. OTHER GENERAL AND ADMINISTRATIVE EXPENSES

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Taxation and fees	\$ 671,335	\$ 574,651	\$ 1,312,867	\$ 1,136,790
Automated equipment	370,028	322,279	659,581	597,870
Professional advisory	195,856	134,149	322,565	271,364
Marketing	162,260	154,574	311,618	281,161
Insurance	123,929	115,318	247,982	232,270
Location fee	123,172	111,394	237,357	217,991
Communications expense	116,192	110,735	226,470	218,983
Borrowing expense	102,812	97,525	202,255	171,916
Others	<u>362,634</u>	<u>327,914</u>	<u>675,005</u>	<u>595,787</u>
	<u>\$ 2,228,218</u>	<u>\$ 1,948,539</u>	<u>\$ 4,195,700</u>	<u>\$ 3,724,132</u>

#### 44. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing net income by the weighted-average number of common stock outstanding.

In the calculation of diluted earnings per share, the preferred shares, which have a dilutive effect, are included in the weighted-average number of common stock outstanding by which net income will be divided. The Company has preferred stocks which are potential dilutive common stock.

	Dollars Per Share			
	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Basic EPS	<u>\$ 0.43</u>	<u>\$ 0.43</u>	<u>\$ 0.98</u>	<u>\$ 0.84</u>
Diluted EPS	<u>\$ 0.43</u>	<u>\$ 0.43</u>	<u>\$ 0.98</u>	<u>\$ 0.84</u>

Net income and the weighted-average number of common stock outstanding in the computation of EPS are as follow:

#### Net Income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Net income for calculating basic EPS	\$ 5,274,256	\$ 5,350,947	\$ 12,185,369	\$ 10,099,504
Effect of potentially dilutive common stock:				
Preferred shares	<u>413</u>	<u>306</u>	<u>758</u>	<u>568</u>
Net income for calculating diluted EPS	<u>\$ 5,274,669</u>	<u>\$ 5,351,253</u>	<u>\$ 12,186,127</u>	<u>\$ 10,100,072</u>

## Shares

	Shares in Thousands			
	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
The weighted-average number of common stock outstanding in the computation of basic EPS	12,376,440	12,376,440	12,376,440	12,067,904
Effect of potentially dilutive common stock:				
Preferred shares	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
The weighted-average number of common stock outstanding in the computation of diluted EPS	<u>12,386,440</u>	<u>12,386,440</u>	<u>12,386,440</u>	<u>12,077,904</u>

If the Company decides to give an employee a bonus in the form of cash or shares, the Company should presume that the entire amount of the bonus will be in the form of shares, and if the resulting potential shares have a dilutive effect, these shares should be included in the weighted-average number of shares outstanding to be used in the calculation of diluted earnings per share. The dilutive effect of the potential shares should be included in the computation of diluted earnings per share until the board of directors resolves at their meeting in the following year the number of shares to be distributed to employees. Employee compensation did not result in a significant change in the weighted average number of common stocks used in the computation of diluted earnings per stock and diluted earnings per share.

The appropriation of earnings for 2023 had been approved in the shareholder's meetings on June 7, 2024. The base date of the stock dividend distribution is the post-dated retrospective adjustment of earnings per share after the financial reporting date is disclosed as follow:

	Dollars Per Share			
	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
<u>Basic EPS</u>				
Basic EPS - pro forma retrospective adjustments to earnings per share after the approval date of the financial statements on the base date of the free gratis distribution	<u>\$ 0.42</u>	<u>\$ 0.42</u>	<u>\$ 0.96</u>	<u>\$ 0.82</u>
<u>Diluted EPS</u>				
Diluted EPS - pro forma retrospective adjustments to earnings per share after the approval date of the financial statements on the base date of the free gratis distribution	<u>\$ 0.42</u>	<u>\$ 0.42</u>	<u>\$ 0.96</u>	<u>\$ 0.82</u>

#### 45. RELATED-PARTY TRANSACTIONS

In addition to those disclosed in other notes to the financial statements, relationships with the Group and significant transactions, as well as the subsidiaries' related-party transactions, are summarized as follows:

a. Related parties and their relationships with the Group

<b>Related Party</b>	<b>Relationship with the Group</b>
SinoPac Foundation	Affiliate of the Company's chairman
Chung-Hua Institution for Economic Research	Affiliate of the Company's chairman (before March 2024)
The Bankers Association of the Republic of China (BAROC)	Affiliate of the Company's chairman (before November 2023)
Taiwan Futures Exchange (TAIFEX)	Affiliate of SinoPac Futures's general manager
Taiwan Creative Industry Development Co., Ltd. (Taiwan Creative Industry)	Affiliate of SinoPac Venture Capital's general manager
Global Unichip Corp. (GUC)	Affiliate of the Company's chairman's spouse
Hsinex International Corp. (Hsinex International)	The Company's corporate director
Xing Yuan Co., Ltd. (Xing Yuan)	The Company's corporate director
Hsin Yi Recreation Enterprise Co., Ltd. (Hsin Yi Recreation)	Affiliate of the Company's corporate director
Novatek Microelectronics Corporation (Novatek Microelectronics)	Affiliate of the Company's director
E Ink Holdings Inc. (E Ink Holdings)	Affiliate of the Company's director
Zero One Technology Co., Ltd. (Zero One Technology)	Affiliate of the Company's director
Chunghwa Telecom Co., Ltd. (Chunghwa Telecom)	Affiliate of Bank SinoPac's director
China Airlines Ltd. (China Airlines)	Affiliate of Bank SinoPac's director
Pegatron Corporation (Pegatron)	Affiliate of SinoPac Securities' director
Asia Cement Corporation (Asia Cement)	Affiliate of SinoPac Securities' director
Ting-Fong Investment Corporation, Ltd. (Ting-Fong Investment)	Affiliate of SinoPac Securities' director
Taiwan Riken Industrial Co., Ltd. (Taiwan Riken Industrial)	Affiliate of SinoPac Securities' director
Hua Nan Commercial Bank Ltd. (Hua Nan Bank)	Affiliate of SinoPac Leasing's director's spouse
Hotai Investment Limited (Hotai Investment)	Affiliate of Bank SinoPac's manager
Wafer Works (Shanghai) Co., Ltd. (WWXS)	Affiliate of Bank SinoPac's manager
Grand Bills Finance Corp. (Grand Bills)	Affiliate of the Company's manager's spouse
Hao-Xin-Di Co., Ltd. (Hao-Xin-Di)	Affiliate of second-degree kin of Bank SinoPac's manager
Zetai Investment Limited (Zetai Investment)	Affiliate of second-degree kin of Bank SinoPac's manager
Kim Great Co., Ltd. (Kim Great)	Affiliate of second-degree kin of Bank SinoPac's manager (before October 2023)

(Continued)



<b>Related Party</b>	<b>Relationship with the Group</b>
Elite Material Co., Ltd. (EMC)	Related party
TaiGen Biopharmaceuticals Holdings Limited (TaiGen Biopharmaceuticals)	Related party
TransGlobe Life Insurance Inc. (TGL)	Related party
YFY International B.V. (YFY International)	Related party
Chipbond Technology Corporation (Chipbond Technology)	Related party
Sun He Energy Co., Ltd. (Sun He Energy)	Related party
Jhong Cing Investment Co., Ltd. (Jhong Cing Investment)	Related party
Hsin-Yi Foundation	Related party
China Color Printing Co., Ltd. (China Color Printing)	Related party
Yuen Foong Yu Consumer Products Co., Ltd. (Yuen Foong Yu Consumer Products)	Related party
Transyork Technology Yangzhou Ltd. (Transyork Technology Yangzhou)	Related party
ScinoPharm Taiwan, Ltd. (ScinoPharm Taiwan)	Related party
Rich Optronics (Yangzhou) Co., Ltd. (Rich Optronics (Yangzhou))	Related party
E Ink Technology B.V.	Related party
TaiGen Biotechnology Co., Ltd. (TaiGen Biotechnology)	Related party
Yong Hsin Yi Enterprise Co., Ltd. (Yong Hsin Yi Enterprise)	Related party
Guanyu Investment Co., Ltd. (Guanyu Investment)	Related party
Uni-President Enterprises (China) Investment Ltd. (Uni-President Enterprises (China))	Related party (before March 2024)
Transcend Optronics (Yangzhou) Co., Ltd. (Transcend Optronics (Yangzhou))	Related party
Yuanhan Materials Inc. (Yuanhan Materials)	Related party
Shen's Art Printing Co., Ltd. (Shen's Art Printing)	Related party
Foongtone Technology Co., Ltd. (Foongtone Technology)	Related party
Dream Universe Limited	Related party
YFY Biotech Management Co., Ltd. (YFY Biotech Management)	Related party
SinoPac Multi Strategy Quant Fund Limited	Related party
SinoPac Multi-Series Fund II Limited	Related party
SinoPac Multi-Series Fund SPC	Related party
Others	The Group's directors, supervisors, managers and their relatives, department chiefs, investments accounted for using equity method and their subsidiaries, and investees of the Company's other subsidiaries, etc. (Concluded)

b. Significant transactions with related parties

1) Cash and cash equivalents

	June 30, 2024	December 31, 2023	June 30, 2023
SinoPac Securities and its subsidiaries			
Bank deposits			
Others	\$ 3,032	\$ 2,920	\$ 2,849
Short-term notes			
Grand Bills	398,394	917,576	439,735
Excess margin of futures			
TAIFEX	471,157	349,066	321,755
SinoPac Leasing and its subsidiaries			
Bank deposits			
Others	65	69	69

2) Due from the Central Bank and call loans to banks

	June 30, 2024		For the Six Months Ended June 30, 2024
	Ending Balance	Interest Rate (%)	Interest Income
Bank SinoPac and its subsidiaries			
Call loans to banks			
Hua Nan Bank	\$ 2,133,565	0.25-5.53	\$ 38,524
		December 31, 2023	
		Ending Balance	Interest Rate (%)
Bank SinoPac and its subsidiaries			
Call loans to banks			
Hua Nan Bank		\$ 1,050,408	0.15-6.8
			For the Six Months Ended June 30, 2023
		Ending Balance	Interest Income
Bank SinoPac and its subsidiaries			
Call loans to banks			
Hua Nan Bank	\$ 2,054,011	0.4-6.8	\$ 28,198

3) Financial assets at fair value through profit or loss

	June 30, 2024	December 31, 2023	June 30, 2023
SinoPac Securities and its subsidiaries			
TAIFEX	\$ 1,672,039	\$ 2,247,894	\$ 2,464,770
EMC	249,896	95,356	486,549
GUC	238,050	30,408	149,832
Novatek Microelectronics	135,835	-	-
Pegatron	113,035	37,156	46,904
Chunghwa Telecom	86,038	66,396	123,207
Others	737,880	397,351	423,682
SinoPac Securities Investment Trust			
Others	9,596	8,933	8,751
SinoPac Venture Capital			
TaiGen Biopharmaceuticals	303,684	312,803	374,710
Others	137,117	177,225	202,898

4) Derivative financial instruments

	June 30, 2024				
	Contract (Notional) Amount	Contract Period	Valuation Gains or Losses	Account	Balance
Bank SinoPac and its subsidiaries					
Currency swap contracts					
Hua Nan Bank	\$ 4,382,789	2024.4.24- 2025.5.9	\$ 33,729	Financial assets at fair value through profit or loss	\$ 33,729
Hua Nan Bank	3,895,812	2023.8.9- 2024.11.29	(153,942)	Financial liabilities at fair value through profit or loss	133,252
TGL	14,122,319	2024.3.1- 2024.10.21	213,841	Financial assets at fair value through profit or loss	213,841
TGL	1,201,209	2024.4.25- 2024.9.30	(2,790)	Financial liabilities at fair value through profit or loss	2,790
Interest rate swap contracts					
Hua Nan Bank	10,868,545	2020.11.13- 2032.3.16	302,835	Financial assets at fair value through profit or loss	754,803
Hua Nan Bank	16,233	2023.8.22- 2032.8.22	(1,269)	Financial liabilities at fair value through profit or loss	1,083
Forward exchange contracts					
TGL	486,499	2024.5.20- 2024.8.13	3,794	Financial assets at fair value through profit or loss	3,794
TGL	315,171	2024.5.6- 2024.7.8	(3,493)	Financial liabilities at fair value through profit or loss	3,493
YFY International	633,069	2023.8.10- 2025.1.13	(20,523)	Financial liabilities at fair value through profit or loss	17,779
China Airlines	162,326	2023.11.15- 2024.11.29	(5,061)	Financial liabilities at fair value through profit or loss	5,061
SinoPac Securities and its subsidiaries					
Asset exchange option contracts					
Grand Bills	223,000	2021.8.13- 2027.5.24	37,966	Financial assets at fair value through profit or loss	2,332

<b>December 31, 2023</b>				
	<b>Contract (Notional) Amount</b>	<b>Contract Period</b>	<b>Account</b>	<b>Balance</b>
Bank SinoPac and its subsidiaries				
Currency swap contracts				
Hua Nan Bank	\$ 12,916,042	2023.8.2-2024.9.23	Financial assets at fair value through profit or loss	\$ 302,294
Hua Nan Bank	1,537,624	2023.5.4-2024.2.29	Financial liabilities at fair value through profit or loss	41,652
TGL	369,030	2023.11.23-2024.2.27	Financial assets at fair value through profit or loss	1,699
TGL	17,416,338	2023.9.19-2024.3.25	Financial liabilities at fair value through profit or loss	622,168
Interest rate swap contracts				
Hua Nan Bank	10,544,177	2020.11.13-2032.8.22	Financial assets at fair value through profit or loss	454,822
Forward exchange contracts				
TGL	1,104,942	2023.12.6-2024.3.8	Financial assets at fair value through profit or loss	8,282
TGL	1,713,467	2023.1.16-2024.4.18	Financial liabilities at fair value through profit or loss	52,602
YFY International	307,525	2023.8.10-2024.8.23	Financial assets at fair value through profit or loss	2,744
YFY International	153,762	2023.1.13-2024.1.17	Financial liabilities at fair value through profit or loss	11,012
Cross-currency swap contracts				
Hua Nan Bank	1,253,080	2023.7.28-2024.4.29	Financial assets at fair value through profit or loss	518
Hua Nan Bank	610,320	2023.2.24-2024.2.29	Financial liabilities at fair value through profit or loss	24,467
SinoPac Securities and its subsidiaries				
Asset exchange option contracts				
Grand Bills	272,500	2021.8.13-2025.8.29	Financial assets at fair value through profit or loss	40,298

<b>June 30, 2023</b>					
	<b>Contract (Notional) Amount</b>	<b>Contract Period</b>	<b>Valuation Gains or Losses</b>	<b>Account</b>	<b>Balance</b>
Bank SinoPac and its subsidiaries					
Currency swap contracts					
Hua Nan Bank	\$ 1,869,159	2021.11.11-2023.10.5	\$ 60,098	Financial assets at fair value through profit or loss	\$ 149,014
Hua Nan Bank	6,853,583	2023.1.17-2024.2.29	(216,251)	Financial liabilities at fair value through profit or loss	216,251
TGL	20,685,360	2023.2.23-2023.11.6	436,194	Financial assets at fair value through profit or loss	436,194
TGL	2,647,975	2023.5.23-2023.7.25	(15,926)	Financial liabilities at fair value through profit or loss	15,926
Interest rate swap contracts					
Hua Nan Bank	12,217,187	2020.11.13-2032.3.16	63,497	Financial assets at fair value through profit or loss	533,841
Forward exchange contracts					
TGL	1,169,268	2023.5.10-2023.8.9	37,685	Financial assets at fair value through profit or loss	47,332
TGL	1,505,237	2022.10.17-2024.4.18	(44,597)	Financial liabilities at fair value through profit or loss	44,597
YFY International	311,527	2023.1.13-2024.1.17	(21,101)	Financial liabilities at fair value through profit or loss	21,101
Cross-currency swap contracts					
Hua Nan Bank	1,508,970	2023.2.3-2024.2.29	(65,954)	Financial liabilities at fair value through profit or loss	65,954
SinoPac Securities and its subsidiaries					
Asset exchange option contracts					
Grand Bills	321,600	2020.9.14-2025.8.29	81,653	Financial liabilities at fair value through profit or loss	32,590

5) Financial assets at fair value through other comprehensive income

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Bank SinoPac and its subsidiaries			
Equity instruments			
TAIFEX	\$ 400,506	\$ 348,266	\$ 321,954
Others	25,072	21,379	24,738
SinoPac Securities and its subsidiaries			
Equity instruments			
Chunghwa Telecom	541,658	517,920	261,543
Novatek Microelectronics	496,314	-	-
TAIFEX	376,475	327,369	302,636
Chipbond Technology	165,938	-	94,019
SinoPac Venture Capital			
Equity instruments			
Sun He Energy	113,187	119,880	113,486
Others	94,678	83,785	81,661

6) Securities purchased under resell agreements

	<b>June 30, 2024</b>		<b>For the Six Months Ended June 30, 2024</b>
	<b>Face Amount</b>	<b>Carrying Amount</b>	<b>Interest Income</b>
SinoPac Securities and its subsidiaries			
Grand Bills	\$ 1,152,511	\$ 978,990	\$ 41,311
		<b>December 31, 2023</b>	
		<b>Face Amount</b>	<b>Carrying Amount</b>
SinoPac Securities and its subsidiaries			
Grand Bills		\$ 1,091,713	\$ 932,342
		<b>June 30, 2023</b>	
	<b>Face Amount</b>	<b>Carrying Amount</b>	<b>Interest Income</b>
SinoPac Securities and its subsidiaries			
Grand Bills	\$ 1,105,919	\$ 927,627	\$ 11,227
Others	-	-	103

7) Receivables

	June 30, 2024	December 31, 2023	June 30, 2023
Bank SinoPac and its subsidiaries			
Others	\$ 901,462	\$ 251,228	\$ 756,316
SinoPac Securities and its subsidiaries			
Others	101,083	74,666	113,441
SinoPac Securities Investment Trust			
Others	29,023	26,718	22,531

8) Loans

**For the Six Months Ended June 30, 2024**

Ending Balance	Highest Balance	Interest/ Fee Rates (%)	Interest Income
<u>\$ 10,672,366</u>	<u>\$ 11,409,434</u>	0-14.63	<u>\$ 107,269</u>

Category	June 30, 2024						
	Account Volume or Name of Related Party	Highest Balance	Ending Balance	Normal	Overdue	Type of Collaterals	Is the Transaction at Arm's Length Commercial Term
Employees' consumer loans	194	\$ 288,449	\$ 266,117	V	-	Real estate and vehicle	Yes
Household mortgage loans	1,188	7,842,176	7,585,250	V	-	Real estate	Yes
Others:							
	Jhong Cing Investment	51,147	49,386	V	-	Real estate	Yes
	Hao-Xin-Di	5,975	5,540	V	-	Real estate	Yes
	Hotai Investment	756	344	V	-	Vehicle	Yes
	Zetai Investment	525	350	V	-	Vehicle	Yes
	Others	3,220,406	2,765,379	V	-	Real estate	Yes
	Others subtotal	3,278,809	2,820,999				
	Total	\$ 11,409,434	\$ 10,672,366				

**For the Year Ended December 31, 2023**

Ending Balance	Highest Balance	Interest/ Fee Rates (%)
<u>\$ 10,747,642</u>	<u>\$ 11,709,288</u>	0-12.90

Category	December 31, 2023						
	Account Volume or Name of Related Party	Highest Balance	Ending Balance	Normal	Overdue	Type of Collaterals	Is the Transaction at Arm's Length Commercial Term
Employees' consumer loans	193	\$ 317,565	\$ 287,900	V	-	Real estate and vehicle	Yes
Household mortgage loans	1,197	8,113,385	7,681,745	V	-	Real estate	Yes
Others:							
	Jhong Cing Investment	54,634	51,147	V	-	Real estate	Yes
	Hao-Xin-Di	6,833	5,975	V	-	Real estate	Yes
	Hotai Investment	1,581	756	V	-	Vehicle	Yes
	Zetai Investment	875	525	V	-	Vehicle	Yes
	Others	3,214,415	2,719,594	V	-	Real estate and vehicle	Yes
	Others subtotal	3,278,338	2,777,997				
	Total	\$ 11,709,288	\$ 10,747,642				

**For the Six Months Ended June 30, 2023**

<b>Ending Balance</b>	<b>Highest Balance</b>	<b>Interest/ Fee Rates (%)</b>	<b>Interest Income</b>
<u>\$ 10,746,568</u>	<u>\$ 11,424,446</u>	0-12.90	<u>\$ 99,890</u>

Category	June 30, 2023						
	Account Volume or Name of Related Party	Highest Balance	Ending Balance	Normal	Overdue	Type of Collaterals	Is the Transaction at Arm's Length Commercial Term
Employees' consumer loans	257	\$ 307,274	\$ 290,571	V	-	Real estate and vehicle	Yes
Household mortgage loans	1,524	7,702,332	7,450,969	V	-	Real estate	Yes
Others:							
	Jhong Cing Investment	54,634	52,894	V	-	Real estate	Yes
	Kim Great	40,670	39,237	V	-	Real estate	Yes
	Hao-Xin-Di	6,833	6,406	V	-	Real estate	Yes
	Hotai Investment	1,581	1,168	V	-	Vehicle	Yes
	Zetai Investment	875	700	V	-	Vehicle	Yes
	Others	3,310,247	2,904,623	V	-	Real estate, certificates of deposits, securities and vehicle	Yes
	Others subtotal	3,414,840	3,005,028				
	Total	\$ 11,424,446	\$ 10,746,568				

Note: Debtors of related party loans are all within normal credit ranking. The Group estimated provision for doubtful debt periodically in accordance with the guidelines issued by the authority and IFRS Accounting Standards.

9) Other financial assets

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
SinoPac Securities and its subsidiaries			
Customer's margin accounts			
TAIFEX	\$ 12,658,762	\$ 8,397,486	\$ 7,230,630

10) Property and equipment

In the six months ended June 30, 2024 and 2023, the Company purchased property and equipment from its related parties for a total price of \$1,819 and \$1,367, respectively, recognized as machinery and computer equipment.

In the six months ended June 30, 2024 and 2023, Bank SinoPac and its subsidiaries purchased property and equipment from its related parties for a total price of \$6,368 and \$8,578, respectively, recognized as machinery and computer equipment and prepayments for equipment.

In the six months ended June 30, 2023, SinoPac Securities and its subsidiaries purchased property and equipment from its related parties for a total price of and \$3,710, recognized as machinery and computer equipment and prepayments for equipment. (In the six months ended June 30, 2024: None).

11) Intangible assets

In the six months ended June 30, 2023, the Company purchased computer software from its related parties for a total price of \$194. (In the six months ended June 30, 2024: None).

In the six months ended June 30, 2024 and 2023, Bank SinoPac and its subsidiaries purchased computer software from its related parties for a total price of \$8,832 and \$20,701, respectively, recognized as intangible assets.

In the six months ended June 30, 2024 and 2023, SinoPac Securities and its subsidiaries purchased computer software from its related parties for a total price of \$1,150 and \$3,805, respectively, recognized as intangible assets.

In the six months ended June 30, 2023, SinoPac Leasing and its subsidiaries purchased computer software from its related parties for a total price of \$190. (In the six months ended June 30, 2024: None).

12) Other assets

	June 30, 2024	December 31, 2023	June 30, 2023
Bank SinoPac and its subsidiaries			
Guarantee deposits			
TAIFEX	\$ 155,125	\$ 113,192	\$ 80,840
Others	888	1,707	1,067
Prepayments			
Others	51	12	14
Clearing and settlement fund			
Others	20,000	20,000	20,000
SinoPac Securities and its subsidiaries			
Clearing and settlement fund			
TAIFEX	248,345	235,128	236,762
Guarantee deposits			
Others	2,321	2,320	2,331
Prepayments			
Others	197	1,381	37
Temporary payment			
Others	1	-	1
SinoPac Securities Investment Trust			
Guarantee deposits			
Others	185	185	11
SinoPac Leasing and its subsidiaries			
Guarantee deposits			
Others	36	658	645
Prepayments			
Others	-	1	15

Bank SinoPac and its subsidiaries signed an agreement with other related parties for the purchase. Bank SinoPac and its subsidiaries paid \$27,312 and \$12,305 for the six months ended June 30, 2024 and 2023, respectively, which were recognized as prepayments (other assets) or operating expenses.

On June 30, 2024, December 31, 2023 and June 30, 2023, undiscounted guarantee deposits paid on lease contracts of Bank SinoPac and its subsidiaries were \$640, \$1,420 and \$780, respectively.

On June 30, 2024, December 31, 2023 and June 30, 2023, undiscounted guarantee deposits paid on lease contracts of SinoPac Securities and its subsidiaries were \$158.

On December 31, 2023 and June 30, 2023, undiscounted guarantee deposits paid on lease contracts of SPL and its subsidiaries were \$624. (On June 30, 2024: None).



13) Notes and bonds transaction

	<b>For the Six Months Ended June 30, 2024</b>	
	<b>Purchase of Notes and Bonds</b>	<b>Sell of Notes and Bonds</b>
SinoPac Securities and its subsidiaries		
Grand Bills	\$ 73,955,180	\$ 74,474,363
	<b>For the Six Months Ended June 30, 2023</b>	
	<b>Purchase of Notes and Bonds</b>	<b>Sell of Notes and Bonds</b>
Bank SinoPac and its subsidiaries		
Others	\$ 49,959	\$ 49,961
SinoPac Securities and its subsidiaries		
Grand Bills	65,518,882	65,943,565
Hua Nan Bank	10,144,793	11,200,982
Asia Cement	300,000	-

14) Deposits from the Central Bank and banks

	<b>June 30, 2024</b>		<b>For the Six Months Ended June 30, 2024</b>
	<b>Ending Balance</b>	<b>Interest Rate (%)</b>	<b>Interest Expense</b>
Bank SinoPac and its subsidiaries			
Hua Nan Bank	\$ 451,265	0.1-5.61	\$ 23,796
	<b>December 31, 2023</b>		
	<b>Ending Balance</b>	<b>Interest Rate (%)</b>	
Bank SinoPac and its subsidiaries			
Others	\$ -	0.1-5.68	
	<b>June 30, 2023</b>		<b>For the Six Months Ended June 30, 2023</b>
	<b>Ending Balance</b>	<b>Interest Rate (%)</b>	<b>Interest Expense</b>
Bank SinoPac and its subsidiaries			
Hua Nan Bank	\$ 934,580	0.5-5.68	\$ 28,501

15) Commercial papers issued

	<b>June 30, 2024</b>		<b>For the Six Months Ended June 30, 2024</b>
	<b>Face Amount</b>	<b>Interest Rate (%)</b>	<b>Interest Expense</b>
The Company			
Others	\$ -	1.508-1.688	\$ 7,123
SinoPac Securities and its subsidiaries			
Grand Bills	2,350,000	1.42-2	19,404
		<b>December 31, 2023</b>	
		<b>Face Amount</b>	<b>Interest Rate (%)</b>
The Company			
Grand Bills		\$ 1,000,000	1.498-1.578
SinoPac Securities and its subsidiaries			
Grand Bills		2,500,000	1.38-1.56
SinoPac Leasing and its subsidiaries			
Others		-	1.488-1.808
		<b>June 30, 2023</b>	<b>For the Six Months Ended June 30, 2023</b>
		<b>Face Amount</b>	<b>Interest Expense</b>
SinoPac Securities and its subsidiaries			
Grand Bills	\$ 1,000,000	1.54-1.56	\$ 523
SinoPac Leasing and its subsidiaries			
Others	-	1.488-1.808	309

16) Payables

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Bank SinoPac and its subsidiaries			
Others	\$ 15,602	\$ 21,553	\$ 12,010
SinoPac Securities and its subsidiaries			
Others	48,270	30,879	35,185
SinoPac Leasing and its subsidiaries			
Others	-	-	12

17) Deposits

	<b>June 30, 2024</b>		<b>For the Six Months Ended June 30, 2024</b>
	<b>Ending Balance</b>	<b>Interest Rate (%)</b>	<b>Interest Expense</b>
Others	\$ 25,113,466	0-13	\$ 446,169
	<b>December 31, 2023</b>		<b>For the Six Months Ended June 30, 2023</b>
	<b>Ending Balance</b>	<b>Interest Rate (%)</b>	<b>Interest Expense</b>
Others	\$ 27,544,747	0-13	
	<b>June 30, 2023</b>		<b>For the Six Months Ended June 30, 2023</b>
	<b>Ending Balance</b>	<b>Interest Rate (%)</b>	<b>Interest Expense</b>
Others	\$ 23,019,902	0-13	\$ 192,813

Deposit details of related party whose amounts are over \$100,000 with Bank SinoPac and its subsidiaries, please refer to Note 45, c.10.

18) Bonds payable

Bank SinoPac paid for the interest of bank debenture for six months ended June 30, 2024 and 2023 in the amount of \$3,800, respectively.

19) Other financial liabilities

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
SinoPac Securities and its subsidiaries			
Futures traders' equity			
Others	\$ 25,681	\$ 24,614	\$ 28,820

20) Lease

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Bank SinoPac and its subsidiaries as a lessee		
Acquisition of right-of-use assets		
Chunghwa Telecom	\$ 269,343	\$ 3,040
Others	17,407	-

	June 30, 2024	December 31, 2023	June 30, 2023
Bank SinoPac and its subsidiaries as a lessee			
Lease liabilities			
Chunghwa Telecom	\$ 265,474	\$ 21,348	\$ 44,273
Others	21,989	6,790	8,472
SinoPac Securities and its subsidiaries as a lessee			
Lease liabilities			
Others	2,916	3,412	3,906
SinoPac Leasing and its subsidiaries as a lessee			
Lease liabilities			
Others	-	623	5,544

For the guarantee deposits on lease contracts with related parties, refer to Note 45,b. 12.

For guarantee deposits, interest income, lease interest expense, and other lease expense (recognized as operating expenses) on the lease contracts with related parties for the six months ended June 30, 2024 and 2023, refer to Note 45,b. 22, 23 and 27.

#### 21) Other liabilities

	June 30, 2024	December 31, 2023	June 30, 2023
Bank SinoPac and its subsidiaries			
Guarantee deposits received			
Others	\$ 875	\$ 875	\$ 875
SinoPac Securities and its subsidiaries			
Temporary receipts and suspense accounts			
Others	5	5	5
Prepayments			
Others	-	-	2

#### 22) Interest income

	For the Six Months Ended June 30	
	2024	2023
Bank SinoPac and its subsidiaries		
Others	\$ 6	\$ 3
SinoPac Securities and its subsidiaries		
Others	21,423	11,661
SinoPac Leasing and its subsidiaries		
Others	3	5

23) Interest expense

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Bank SinoPac and its subsidiaries		
Others	\$ 1,050	\$ 380
SinoPac Securities and its subsidiaries		
Others	63	129
SinoPac Leasing and its subsidiaries		
Others	6	54

24) Service fee and commissions income, net

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Bank SinoPac and its subsidiaries		
Commissions and fee revenues		
Others	\$ 12,487	\$ 11,388
Commissions and fee expenses		
Others	9,489	10,913
SinoPac Securities and its subsidiaries		
Commissions and fee revenues		
Others	81,094	74,651
Commissions and fee expenses		
TAIFEX	223,226	174,406
Others	3,096	2,173
SinoPac Securities Investment Trust		
Commissions and fee revenues		
Others	155,867	122,168

25) Gains (losses) on financial assets and liabilities at fair value through profit or loss, net

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
SinoPac Securities and its subsidiaries		
Others	\$ 11,244	\$ 13,202
SinoPac Securities Investment Trust		
Others	623	294
SinoPac Venture Capital		
Others	(21,638)	13,580

26) Realized gains (losses) on financial assets at fair value through other comprehensive income

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Bank SinoPac and its subsidiaries		
Others	\$ 5,848	\$ 19,870
SinoPac Securities and its subsidiaries		
Others	16,226	31,804

27) Net other revenue other than interest income

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Bank SinoPac and its subsidiaries		
Operating assets rental revenue		
Others	\$ 2,613	\$ 3,330
Other revenues		
Others	220	1,086
SinoPac Securities and its subsidiaries		
Stock affairs agent revenue		
Others	8,924	8,479
Other net revenues		
Others	3,063	279
SinoPac Venture Capital		
Other revenues		
Others	95	77
SinoPac Leasing and its subsidiaries		
Other expenses		
Others	31	46

28) Operating expenses

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Donation		
SinoPac Foundation	\$ 30,000	\$ 30,000
Others		
The Company		
Others	2,830	3,209
Bank SinoPac and its subsidiaries		
Others	84,642	98,510
SinoPac Securities and its subsidiaries		
Others	81,508	79,582
SinoPac Securities Investment Trust		
Others	3,081	2,200
SinoPac Venture Capital		
Others	54	40
SinoPac Leasing and its subsidiaries		
Others	2,831	3,519



## 2) Derivative financial instruments

<b>June 30, 2024</b>					
	<b>Contract (Notional) Amount</b>	<b>Contract Period</b>	<b>Valuation Gains or Losses</b>	<b>Account</b>	<b>Balance</b>
Currency swap contracts					
Hua Nan Bank	\$ 4,382,789	2024.4.24- 2025.5.9	\$ 33,729	Financial assets at fair value through profit or loss	\$ 33,729
Hua Nan Bank	3,895,812	2023.8.9- 2024.11.29	(153,942)	Financial liabilities at fair value through profit or loss	133,252
TGL	14,122,319	2024.3.1- 2024.10.21	213,841	Financial assets at fair value through profit or loss	213,841
TGL	1,201,209	2024.4.25- 2024.9.30	(2,790)	Financial liabilities at fair value through profit or loss	2,790
Interest rate swap contracts					
SinoPac Securities	375,000	2020.8.11- 2024.8.12	1,667	Financial liabilities at fair value through profit or loss	1,031
Hua Nan Bank	10,868,545	2020.11.13- 2032.3.16	302,835	Financial assets at fair value through profit or loss	754,803
Hua Nan Bank	16,233	2023.8.22- 2032.8.22	(1,269)	Financial liabilities at fair value through profit or loss	1,083
Forward exchange contracts					
TGL	486,499	2024.5.20- 2024.8.13	3,794	Financial assets at fair value through profit or loss	3,794
TGL	315,171	2024.5.6- 2024.7.8	(3,493)	Financial liabilities at fair value through profit or loss	3,493
YFY International	633,069	2023.8.10- 2025.1.13	(20,523)	Financial liabilities at fair value through profit or loss	17,779
China Airlines	162,326	2023.11.15- 2024.11.29	(5,061)	Financial liabilities at fair value through profit or loss	5,061
<b>December 31, 2023</b>					
	<b>Contract (Notional) Amount</b>	<b>Contract Period</b>		<b>Account</b>	<b>Balance</b>
Currency swap contracts					
Hua Nan Bank	\$ 12,916,042	2023.8.2-2024.9.23		Financial assets at fair value through profit or loss	\$ 302,294
Hua Nan Bank	1,537,624	2023.5.4-2024.2.29		Financial liabilities at fair value through profit or loss	41,652
TGL	369,030	2023.11.23-2024.2.27		Financial assets at fair value through profit or loss	1,699
TGL	17,416,338	2023.9.19-2024.3.25		Financial liabilities at fair value through profit or loss	622,168
Interest rate swap contracts					
SinoPac Securities	375,000	2020.8.11-2024.8.12		Financial liabilities at fair value through profit or loss	2,698
Hua Nan Bank	10,544,177	2020.11.13-2032.8.22		Financial assets at fair value through profit or loss	454,822
Forward exchange contracts					
TGL	1,104,942	2023.12.6-2024.3.8		Financial assets at fair value through profit or loss	8,282
TGL	1,713,467	2023.1.16-2024.4.18		Financial liabilities at fair value through profit or loss	52,602
YFY International	307,525	2023.8.10-2024.8.23		Financial assets at fair value through profit or loss	2,744
YFY International	153,762	2023.1.13-2024.1.17		Financial liabilities at fair value through profit or loss	11,012
Cross-currency swap contracts					
Hua Nan Bank	1,253,080	2023.7.28-2024.4.29		Financial assets at fair value through profit or loss	518
Hua Nan Bank	610,320	2023.2.24-2024.2.29		Financial liabilities at fair value through profit or loss	24,467



**June 30, 2023**

	<b>Contract (Notional) Amount</b>	<b>Contract Period</b>	<b>Valuation Gains or Losses</b>	<b>Account</b>	<b>Balance</b>
Currency swap contracts					
Hua Nan Bank	\$ 1,869,159	2021.11.11- 2023.10.5	\$ 60,098	Financial assets at fair value through profit or loss	\$ 149,014
Hua Nan Bank	6,853,583	2023.1.17- 2024.2.29	(216,251)	Financial liabilities at fair value through profit or loss	216,251
TGL	20,685,360	2023.2.23- 2023.11.6	436,194	Financial assets at fair value through profit or loss	436,194
TGL	2,647,975	2023.5.23- 2023.7.25	(15,926)	Financial liabilities at fair value through profit or loss	15,926
Interest rate swap contracts					
SinoPac Securities	675,000	2020.8.3- 2024.8.12	1,725	Financial liabilities at fair value through profit or loss	5,397
Hua Nan Bank	12,217,187	2020.11.13- 2032.3.16	63,497	Financial assets at fair value through profit or loss	533,841
Forward exchange contracts					
TGL	1,169,268	2023.5.10- 2023.8.9	37,685	Financial assets at fair value through profit or loss	47,332
TGL	1,505,237	2022.10.17- 2024.4.18	(44,597)	Financial liabilities at fair value through profit or loss	44,597
YFY International	311,527	2023.1.13- 2024.1.17	(21,101)	Financial liabilities at fair value through profit or loss	21,101
Cross-currency swap contracts					
Hua Nan Bank	1,508,970	2023.2.3- 2024.2.29	(65,954)	Financial liabilities at fair value through profit or loss	65,954

3) Financial assets at fair value through other comprehensive income

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Equity instruments			
TAIFEX	\$ 400,506	\$ 348,266	\$ 321,954

4) Securities purchased under resell agreements

	<b>June 30, 2024</b>		<b>For the Six Months Ended June 30, 2024</b>
	<b>Face Amount</b>	<b>Carrying Amount</b>	<b>Interest Income</b>
SinoPac Securities	\$ 100,000	72,500	\$ 151

5) Current income tax assets and liabilities

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Receivable from adopting the linked-tax system	<u>\$ 1,055,020</u>	<u>\$ 1,055,020</u>	<u>\$ 1,055,020</u>
Payable from adopting the linked-tax system	<u>\$ 1,739,327</u>	<u>\$ 1,170,711</u>	<u>\$ 1,460,616</u>

6) Loans

**For the Six Months Ended June 30, 2024**

<b>Ending Balance</b>	<b>Highest Balance</b>	<b>Interest/ Fee Rates (%)</b>	<b>Interest Income</b>
<u>\$ 11,072,366</u>	<u>\$ 11,809,434</u>	0-14.63	<u>\$ 108,763</u>

Category	June 30, 2024						
	Account Volume or Name of Related Party	Highest Balance	Ending Balance	Normal	Overdue	Type of Collaterals	Is the Transaction at Arm's Length Commercial Term
Employees' consumer loans	194	\$ 288,449	\$ 266,117	V	-	Real estate and vehicle	Yes
Household mortgage loans	1,188	7,842,176	7,585,250	V	-	Real estate	Yes
Others:							
	SPL	400,000	400,000	V	-	Real estate	Yes
	Jhong Cing Investment	51,147	49,386	V	-	Real estate	Yes
	Hao-Xin-Di	5,975	5,540	V	-	Real estate	Yes
	Hotai Investment	756	344	V	-	Vehicle	Yes
	Zetai Investment	525	350	V	-	Vehicle	Yes
	Others	3,220,406	2,765,379	V	-	Real estate	Yes
	Others subtotal	3,678,809	3,220,999				
	Total	\$ 11,809,434	\$ 11,072,366				

**For the Year Ended December 31, 2023**

<b>Ending Balance</b>	<b>Highest Balance</b>	<b>Interest/ Fee Rates (%)</b>
<u>\$ 10,747,642</u>	<u>\$ 11,779,288</u>	0-12.90

Category	December 31, 2023						
	Account Volume or Name of Related Party	Highest Balance	Ending Balance	Normal	Overdue	Type of Collaterals	Is the Transaction at Arm's Length Commercial Term
Employees' consumer loans	193	\$ 317,565	\$ 287,900	V	-	Real estate and vehicle	Yes
Household mortgage loans	1,197	8,113,385	7,681,745	V	-	Real estate	Yes
Others:							
	SPL	70,000	-	V	-	Real estate	Yes
	Jhong Cing Investment	54,634	51,147	V	-	Real estate	Yes
	Hao-Xin-Di	6,833	5,975	V	-	Real estate	Yes
	Hotai Investment	1,581	756	V	-	Vehicle	Yes
	Zetai Investment	875	525	V	-	Vehicle	Yes
	Others	3,214,415	2,719,594	V	-	Real estate and vehicle	Yes
	Others subtotal	3,348,338	2,777,997				
	Total	\$ 11,779,288	\$ 10,747,642				

**For the Six Months Ended June 30, 2023**

<b>Ending Balance</b>	<b>Highest Balance</b>	<b>Interest/ Fee Rates (%)</b>	<b>Interest Income</b>
<u>\$ 10,746,568</u>	<u>\$ 11,494,446</u>	0-12.90	<u>\$ 100,081</u>

Category	June 30, 2023						Is the Transaction at Arm's Length Commercial Term
	Account Volume or Name of Related Party	Highest Balance	Ending Balance	Normal	Overdue	Type of Collaterals	
Employees' consumer loans	257	\$ 307,274	\$ 290,571	V	-	Real estate and vehicle	Yes
Household mortgage loans	1,524	7,702,332	7,450,969	V	-	Real estate	Yes
Others:							
	SPL	70,000	-	V	-	Real estate	Yes
	Jhong Cing Investment	54,634	52,894	V	-	Real estate	Yes
	Kim Great	40,670	39,237	V	-	Real estate	Yes
	Hao-Xin-Di	6,833	6,406	V	-	Real estate	Yes
	Hotai Investment	1,581	1,168	V	-	Vehicle	Yes
	Zetai Investment	875	700	V	-	Vehicle	Yes
	Others	3,310,247	2,904,623	V	-	Real estate, certificates of deposits, securities and vehicle	Yes
	Others subtotal	3,484,840	3,005,028				
	Total	\$ 11,494,446	\$ 10,746,568				

Note: Debtors of related party loans are all within normal credit ranking. The Group estimated the provision for doubtful debt periodically in accordance with the guidelines issued by the authority and IFRS Accounting Standards.

7) Other assets

	June 30, 2024	December 31, 2023	June 30, 2023
Guarantee deposits			
TAIFEX	<u>\$ 155,125</u>	<u>\$ 113,192</u>	<u>\$ 80,840</u>

8) Deposits from the Central Bank and banks

	June 30, 2024		For the Six Months Ended June 30, 2024
	Ending Balance	Interest Rates (%)	Interest Expense
Hua Nan Bank	<u>\$ 451,265</u>	0.1-5.61	<u>\$ 23,796</u>
	June 30, 2023		For the Six Months Ended June 30, 2023
	Ending Balance	Interest Rates (%)	Interest Expense
Hua Nan Bank	<u>\$ 934,580</u>	0.5-5.68	<u>\$ 28,501</u>

9) Payables

	June 30, 2024	December 31, 2023	June 30, 2023
Cash dividend payable to the Company	<u>\$ 1,435,025</u>	<u>\$ 1,435,025</u>	<u>\$ 1,435,025</u>



	<b>December 31, 2023</b>	
	<b>Ending Balance</b>	<b>Interest Rates (%)</b>
E Ink Technology B.V.	\$ 178,295	0.4-1.15
SinoPac Securities Investment Service	175,781	0-5.5
Yong Hsin Yi Enterprise	150,750	0.53-5.55
Yuanhan Materials	145,385	0.001-1.565
Ting-Fong Investment	129,077	0-0.53
Taiwan Riken Industrial	127,672	0.001-1.32
Xing Yuan	124,826	0.001-5.2
Taiwan Creative Industry	122,734	0.53
Hsinex International	115,574	0.2-5.3
Shen's Art Printing	115,007	0.53-1.565
Foongtone Technology	104,832	0-1.565
		(Concluded)

	<b>June 30, 2023</b>	
	<b>Ending Balance</b>	<b>Interest Rates (%)</b>
SinoPac Securities	\$ 5,578,273	0-2
TGL	5,414,382	0.2-1.05
E Ink Holdings	1,843,237	0-1.565
Hsin-Yi Foundation	719,371	0.01-2.2
ScinoPharm	532,438	0.53-1.565
YFY International	490,726	0.001-5.46
SinoPac Securities (Asia)	418,333	0-2.75
TAIFEX	400,000	0.285-1.135
BAROC	397,011	0-1.58
Dream Universe Limited	385,111	0.05
GUC	317,594	0.001-1.51
Hsin Yi Recreation	286,461	0.2-4.7
China Color Printing	273,984	0.53-1.565
SinoPac Securities Venture Capital	256,534	0.53
TaiGen Biotechnology	217,271	0-5
YFY Biotech Management	194,042	0-1.135
Hsinex International	166,348	0.53-5
SinoPac Securities Investment Service	166,330	0-4.9
SPL	163,884	0-1.05
Yong Hsin Yi Enterprise	148,786	0.53-5
Taiwan Riken Industrial	140,994	0.001-1.32
Xing Yuan	129,754	0.001-5
Yuanhan Materials	127,544	0.001-1.565
Zero One Technology	126,731	0.53-5.09
Rich Optronics (Yangzhou)	107,405	0.05-0.35
WWXS	102,804	0.35

11) Commissions and fee revenues

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Commissions and fee revenues SinoPac Securities	<u>\$ 116,457</u>	<u>\$ 14,458</u>

12) Lease

Bank SinoPac and its subsidiaries as a lessee.

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Acquisition of right-of-use-assets Chunghwa Telecom	<u>\$ 269,343</u>	<u>\$ 3,040</u>

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Lease liabilities			
SPL	\$ 574,847	\$ 570,871	\$ 589,218
Chunghwa Telecom	265,474	21,348	44,273

13) Others

Bank SinoPac had government bonds with a total face value of \$100,000 on June 30, 2024 (investments in debt instruments at amortized cost) provided to the Taiwan Futures Exchange as a guarantee for the centralized clearing margin of derivatives products.

SinoPac Securities and its subsidiaries

1) Cash and cash equivalents

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Bank deposits			
Bank SinoPac	\$ 4,891,992	\$ 4,097,754	\$ 4,291,714
Short-term bills			
Grand Bills	398,394	917,576	439,735
Excess futures margin			
TAIFEX	<u>471,157</u>	<u>349,066</u>	<u>321,755</u>
	<u>\$ 5,761,543</u>	<u>\$ 5,364,396</u>	<u>\$ 5,053,204</u>

Cash and cash equivalents included other financial assets - current, other current assets - settlement, underwriting receipts under custody and separated account for customer.

	June 30, 2024	December 31, 2023	June 30, 2023
2) Customer margin deposits			
TAIFEX	<u>\$ 12,658,762</u>	<u>\$ 8,397,486</u>	<u>\$ 7,230,630</u>
3) Current financial assets at fair value through profit or loss			
Futures margin - own funds			
TAIFEX	\$ 866,320	\$ 556,117	\$ 754,165
Future margin - securities			
TAIFEX	805,719	1,691,777	1,710,605
Operating securities (non-equity investments)			
Elite Material	51,480	68,000	222,863
Listed shares			
Elite Material	198,416	27,356	263,686
GUC	238,050	30,408	149,832
Novatek Microelectronics	135,835	-	-
Pegatron	113,035	37,156	46,904
Chunghwa Telecom	<u>86,038</u>	<u>66,396</u>	<u>123,207</u>
	<u>\$ 2,494,893</u>	<u>\$ 2,477,210</u>	<u>\$ 3,271,262</u>
4) Derivative financial instruments - contract (notional) amount			
Interest rate swap contracts			
Bank SinoPac	<u>\$ 375,000</u>	<u>\$ 375,000</u>	<u>\$ 675,000</u>
Assets swap options			
Grand Bills	<u>\$ 223,000</u>	<u>\$ 272,500</u>	<u>\$ 321,600</u>
5) Securities purchased under resell agreements			
Grand Bills	<u>\$ 978,990</u>	<u>\$ 932,342</u>	<u>\$ 927,627</u>
6) Current income tax assets			
SPH	<u>\$ 329,964</u>	<u>\$ 300,406</u>	<u>\$ 300,306</u>
7) Restricted assets - current			
Bank SinoPac	<u>\$ 1,205,560</u>	<u>\$ 1,205,560</u>	<u>\$ 1,205,560</u>
8) Guarantee deposits			
Bank SinoPac	\$ 682,337	\$ 683,215	\$ 715,172
TAIFEX	<u>248,345</u>	<u>235,128</u>	<u>236,762</u>
	<u>\$ 930,682</u>	<u>\$ 918,343</u>	<u>\$ 951,934</u>

	June 30, 2024	December 31, 2023	June 30, 2023
9) Financial assets at fair value through other comprehensive income			
Chunghwa Telecom	\$ 541,658	\$ 517,920	261,543
Novatek Microelectronics	496,314	-	-
TAIFEX	376,475	327,369	302,636
Chipbond Technology	<u>165,938</u>	<u>-</u>	<u>94,019</u>
	<u>\$ 1,580,385</u>	<u>\$ 845,289</u>	<u>\$ 658,198</u>
10) Commercial papers payable - face amount			
Grand Bills	<u>\$ 2,350,000</u>	<u>\$ 2,500,000</u>	<u>\$ 1,000,000</u>
11) Futures traders' equity			
Bank SinoPac	<u>\$ 113,618</u>	<u>\$ 71,290</u>	<u>\$ 66,155</u>
12) Current income tax liabilities			
SPH	<u>\$ 323,883</u>	<u>\$ 166,033</u>	<u>\$ 121,201</u>
13) Notes and bonds transaction			
		<b>For the Six Months Ended June 30, 2024</b>	
		<b>Purchase of Notes and Bonds</b>	<b>Sell of Notes and Bonds</b>
Grand Bills		\$ 73,955,180	\$ 74,474,363
		<b>For the Six Months Ended June 30, 2023</b>	
		<b>Purchase of Notes and Bonds</b>	<b>Sell of Notes and Bonds</b>
Grand Bills		\$ 65,518,882	\$ 65,943,565
Hua Nan Bank		10,144,793	11,200,982
Asia Cement		300,000	-



14) Brokerage fee expense

		<b>For the Six Months Ended June 30</b>	
		<b>2024</b>	<b>2023</b>
	TAIFEX	<u>\$ 129,588</u>	<u>\$ 101,317</u>
<u>SinoPac Venture Capital</u>			
		<b>June 30, 2024</b>	<b>December 31, 2023</b>
		<b>June 30, 2023</b>	
1)	Financial assets at fair value through profit or loss		
	Taigen Biopharmaceuticals	<u>\$ 303,684</u>	<u>\$ 312,803</u>
2)	Financial assets at fair value through other comprehensive income		
	Sun He Energy	<u>\$ 113,187</u>	<u>\$ 119,880</u>
		<u>\$ 113,486</u>	
<u>SinoPac Leasing and its subsidiaries</u>			
		<b>June 30, 2024</b>	<b>December 31, 2023</b>
		<b>June 30, 2023</b>	
1)	Cash and cash equivalents		
	Bank deposits		
	Bank SinoPac	\$ 258,859	\$ 138,674
	Bank SinoPac (China)	<u>110,011</u>	<u>91,787</u>
		<u>\$ 368,870</u>	<u>\$ 230,461</u>
2)	Current income tax assets		
	SPH	<u>\$ 306,666</u>	<u>\$ 306,666</u>
3)	Long-term borrowings		
	Bank SinoPac	<u>\$ 400,000</u>	<u>\$ -</u>
4)	As of June 30, 2024, December 31, 2023 and June 30, 2023, borrowings and derivative financial instruments from Bank SinoPac for SinoPac Leasing and its subsidiaries totaling \$944,326, \$977,762 and \$979,763, respectively, and investment properties were provided as collaterals for SinoPac Leasing's borrowings.		

#### 46. PLEDGED OR MORTGAGED ASSETS

In addition to those disclosed in other Notes, pledged or restricted assets of the Group are summarized as follows ended in June 30, 2024, December 31, 2023 and June 30, 2023:

Restricted Assets	Object	June 30, 2024	December 31, 2023	June 30, 2023	Remarks
Financial assets at fair value through other comprehensive income	Bank debentures	\$ -	\$ 1,429,184	\$ 835,273	Note 1
Investment in debt instruments at amortized cost	Certificates of deposits	5,162,326	5,153,762	8,155,763	Note 2
Investment in debt instruments at amortized cost	Government bonds	1,523,362	1,495,035	1,511,798	Note 3
Discounts and loans	Loans	19,829,304	18,924,490	20,898,028	Note 4
Other financial assets	Certificates of deposits and time deposits	540,000	440,000	440,000	Note 5
Investment properties	Land and land improvements and buildings	713,676	714,590	715,553	Note 5
Properties and equipment	Land and buildings	1,009,807	1,018,718	1,027,629	Note 5
Right-of-use assets	Land and surface rights	897,379	903,211	921,255	Note 6

Note 1: Pledged with repurchase agreement.

Note 2: Bank SinoPac pledged in accordance with the Central Bank for foreign-exchange, with the Mega Bank for USD foreign-exchange settlement and with requirements of the California Department of Financial Institutions.

Note 3: Bank SinoPac's guarantees of dealing and underwriting business, a trust reserve fund, guarantees of bills financial service, derivative financial product settlement margin, reserve for payment of VISA international card, pledged to court as collaterals for filing provisional seizure and disposition and Hong Kong branch's clearing system of real-time gross settlement.

Note 4: Bank SinoPac pledged in accordance with the Federal Reserve Bank under the discount window program.

Note 5: Assets pledged to financial institutions as guarantees for commercial papers issued and pledged to obtain credit line for borrowings and bank overdraft.

Note 6: Loan collateral.

#### 47. SIGNIFICANT CONTINGENCIES LIABILITIES AND UNRECOGNIZED COMMITMENTS

- a. In addition to those disclosed in other notes, significant unrecognized commitments of the Group as of June 30, 2024, December 31, 2023 and June 30, 2023 are as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Trust assets	\$ 1,108,601,043	\$ 1,012,540,113	\$ 859,920,061
Securities under custody	244,071,161	225,139,963	236,848,594
Agent for government bonds	97,377,700	91,850,400	96,445,000
Receipts under custody	26,100,642	24,180,694	24,172,501
Deposit guarantee promissory notes	10,668,734	500,000	857,600
Agent for short-term securities under custody	9,820,950	10,614,800	10,403,300
Appointment of investment	9,146,774	7,698,253	7,138,546
Guarantee notes payable	5,957,326	5,764,662	8,779,663
Goods under custody	1,134,236	899,254	936,745
Entrusted loans	433,349	-	-
Consignment underwriting of securities	-	-	100,000

As of June 30, 2024, in addition to above mentioned unrecognized commitments, Bank SinoPac and SinoPac Securities had applied for tax concessions to Ministry of Finance regarding their technical support service expenditure relating to financial transaction system, and had jointly signed to the system manufacturer the letter of which indemnity of the total compensation is not more than US\$1,300 thousand to obtain the proxy of the manufacturer thereof to apply for foresaid tax concession. The compensation distributable to Bank SinoPac is US\$867 thousand and to SinoPac Securities is US\$433 thousand. The deadline for compensation guarantee period is December 31, 2027.

In order to continue the practical application and deepening cooperation of the artificial intelligence research with National Cheng Kung University to accelerate the digital transformation, the board of directors of Bank SinoPac continued to sign the third phase of the agreement with a total budget of \$30,000 for enterprise and industry cooperation and a donation agreement effective from July 1, 2023 through June 30, 2026 in May 2023. As of June 30, 2024, Bank SinoPac recognized operating expenses in the amount of \$20,000.

- b. The Group entered into contracts to buy computers and office equipment were for \$1,364,452 and \$870,409, of which \$886,493 and \$575,643 had not been paid as of June 30, 2024 and 2023.
- c. Contingent liabilities and contingencies

In the years 1999 to 2006, the former salesman, Mr. Zhu of Pacific Securities which was merged by SinoPac Securities in 2012, appeared to have debt disputes with the customer Mr. Chen and other three people due to bond sales. The customers filed civil complaint at the Taiwan Taipei District Court against SinoPac Securities asking for \$13,000 damage compensation. This case happened long ago, and Mr. Zhu resigned in 2016. At present, it is only known that Mr. Zhu appeared to fabricate the fact of government bonds repurchase transaction to cause the customer to be defrauded and Mr. Chen also sued the plaintiff Mr. Zhu of this case for criminal lawsuit. The appeal was rejected by the Taiwan District Court, after Chen Jun appealed to the Taiwan High Court, SinoPac Securities should pay Chen Jun NT\$3 million and interest calculated at an annual interest rate of 5% from September 17, 2018 to the settlement date. Since the plaintiff did not submit the original copy of the exhibit, the existence of the content rights of the plaintiff is still controversial, the Company had appealed to the Supreme Court in November 14, 2022, the Supreme Court rendered a judgment on December 26, 2023, overturning the award of \$3,000 thousand in principal and interest to Mr. Chen and remanding the case to the High Court. This case was established through mediation for \$1,000 thousand in June 2024, and SinoPac Securities paid the amount in July 2024 based on the mediation transcript. This case is closed.

## 48. HIERARCHY AND FAIR VALUE INFORMATION OF FINANCIAL INSTRUMENTS

a. The definition of the hierarchy:

1) Level 1

Financial instruments are traded in active market and have the identical price for the same financial instruments. “Active market” should fit the following characteristics:

- a) All financial instruments in the market are homogeneous;
- b) Willing buyers and sellers exist in the market all the time;
- c) The public can access the price information easily.

2) Level 2

The products categorized in this level have the prices that can be inferred from either direct or indirect observable inputs other than the active market’s prices. Examples of these inputs are:

- a) Quoted prices from the similar products in the active market. This means the fair value can be derived from the current trading prices of similar products. It is also noted that whether they are similar products should be judged by the characteristics and trading rules. The fair value valuation in this circumstance may make some adjustment due to time lags, trading rule’s differences, related parties’ prices, and the correlation of price between itself and the similar instruments.
- b) Quoted prices for identical or similar financial instruments in inactive markets.
- c) When marking-to-model, the input of model in this level should be observable (such as interest rates, yield curves and volatilities). The observable inputs mean that they can be attained from market and can reflect the expectation of market participants.
- d) Inputs which can be derived from other observable prices or whose correlation can be verified through other observable market data.

3) Level 3

The fair prices of the products in this level are based on the inputs other than the direct market data. For example, historical volatility used in valuing options is an unobservable input, because it cannot represent the entire market participants’ expectation for future volatility.

b. Financial instrument measured at fair value

1) Hierarchy information of fair value of financial instruments

Financial Instruments Measured at Fair Value	June 30, 2024			
	Total	Level 1	Level 2	Level 3
<u>Measured on a recurring basis</u>				
<u>Non-derivative financial instruments</u>				
<u>Assets</u>				
Financial assets at fair value through profit or loss				
Financial assets mandatorily classified as at FVTPL				
Stocks	\$ 30,644,609	\$ 27,774,761	\$ 207,788	\$ 2,662,060
Bonds	63,690,985	46,155,855	16,706,589	828,541
Others	29,429,589	16,061,971	13,367,618	-
Financial assets designated at fair value through profit or loss				
Bonds	1,208,048	1,208,048	-	-
Financial assets at fair value through other comprehensive income				
Equity instruments at fair value through other comprehensive income				
Stocks and others	23,234,336	19,520,048	282,449	3,431,839
Debt instruments at fair value through other comprehensive income				
Bonds	206,608,892	118,019,141	86,535,983	2,053,768
Certificates of deposits and others	168,901,872	150,770	168,751,102	-
<u>Liabilities</u>				
Financial liabilities at fair value through profit or loss				
Held-for-trading financial liabilities	16,080,194	16,080,194	-	-
Financial liabilities designated at fair value through profit or loss	2,021,539	-	2,021,539	-
<u>Derivative financial instruments</u>				
<u>Assets</u>				
Financial assets at fair value through profit or loss				
Financial assets mandatorily classified as at FVTPL	45,109,360	3,579,309	37,023,648	4,506,403
<u>Liabilities</u>				
Financial liabilities at fair value through profit or loss				
Held-for-trading financial liabilities	39,546,055	1,344,249	35,540,988	2,660,818
Financial liabilities designated as at fair value through profit or loss	15,601,743	-	14,578,977	1,022,766

Financial Instruments Measured at Fair Value	December 31, 2023			
	Total	Level 1	Level 2	Level 3
<u>Measured on a recurring basis</u>				
<u>Non-derivative financial instruments</u>				
<u>Assets</u>				
Financial assets at fair value through profit or loss				
Financial assets mandatorily classified as at FVTPL				
Stocks	\$ 15,308,737	\$ 12,956,059	\$ 139,924	\$ 2,212,754
Bonds	64,955,736	49,417,434	13,670,710	1,867,592
Others	24,650,256	12,656,665	11,993,591	-
Financial assets designated at fair value through profit or loss				
Bonds	1,259,836	1,259,836	-	-
Financial assets at fair value through other comprehensive income				
Equity instruments at fair value through other comprehensive income				
Stocks and others	26,234,174	21,793,601	1,537,790	2,902,783
Debt instruments at fair value through other comprehensive income				
Bonds	174,843,289	82,825,617	90,074,111	1,943,561
Certificates of deposits and others	173,797,495	849,315	172,948,180	-
<u>Liabilities</u>				
Financial liabilities at fair value through profit or loss				
Held-for-trading financial liabilities	14,843,330	14,843,330	-	-
Financial liabilities designated at fair value through profit or loss	1,873,060	-	1,873,060	-
<u>Derivative financial instruments</u>				
<u>Assets</u>				
Financial assets at fair value through profit or loss				
Financial assets mandatorily classified as at FVTPL	43,709,355	3,120,914	37,848,712	2,739,729
<u>Liabilities</u>				
Financial liabilities at fair value through profit or loss				
Held-for-trading financial liabilities	46,504,725	681,466	44,178,820	1,644,439
Financial liabilities designated as at fair value through profit or loss	13,049,008	-	12,982,220	66,788

Financial Instruments Measured at Fair Value	June 30, 2023			
	Total	Level 1	Level 2	Level 3
<u>Measured on a recurring basis</u>				
<u>Non-derivative financial instruments</u>				
<u>Assets</u>				
Financial assets at fair value through profit or loss				
Financial assets mandatorily classified as at FVTPL				
Stocks	\$ 23,245,490	\$ 21,226,172	\$ 166,334	\$ 1,852,984
Bonds	44,170,955	34,759,705	8,497,404	913,846
Others	19,240,954	9,319,594	9,921,360	-
Financial assets designated at fair value through profit or loss				
Bonds	4,718,569	4,718,569	-	-
Financial assets at fair value through other comprehensive income				
Equity instruments at fair value through other comprehensive income				
Stocks and others	32,057,767	27,346,081	2,074,125	2,637,561
Debt instruments at fair value through other comprehensive income				
Bonds	159,726,856	68,119,670	89,657,299	1,949,887
Certificates of deposits and others	141,069,822	572,238	140,497,584	-
<u>Liabilities</u>				
Financial liabilities at fair value through profit or loss				
Held-for-trading financial liabilities	11,394,245	11,394,245	-	-
Financial liabilities designated at fair value through profit or loss	1,855,985	-	1,855,985	-
<u>Derivative financial instruments</u>				
<u>Assets</u>				
Financial assets at fair value through profit or loss				
Financial assets mandatorily classified as at FVTPL	47,550,295	3,292,157	41,130,295	3,127,843
<u>Liabilities</u>				
Financial liabilities at fair value through profit or loss				
Held-for-trading financial liabilities	40,004,902	498,770	37,557,800	1,948,332
Financial liabilities designated as at fair value through profit or loss	14,243,953	-	14,213,656	30,297

## 2) Fair value measurement technique

Financial instruments at fair value through profit or loss and financial assets at fair value through other comprehensive income with quoted price in an active market are using market price as fair value; financial instruments above with no quoted price in an active market are estimated by valuation methods. The estimation and assumption of valuation method the Group used is the same as market participants. The Group can obtain this information.

The basis of fair value estimation used by the Group is as follows:

The fair value of forward exchange contracts, interest rate swap contracts, cross currency swap contracts is measured by the discounted cash flow method; the fair value of option is measured by Black & Scholes Model.

Fair values of forward exchange contracts are estimated on the basis of the foreign exchange rates. Structured product is measured by opponents' price based on match basis. This method diminished market risk to zero. Fair value of interest rate swap contracts and cross currency swap contracts are estimated on the basis of market quotation.

Fair value are determined as follows: (a) listed stocks and Taipei Exchange stocks and Stocks of Real Estate Investment Trust - closing prices as of the balance sheet date; (b) beneficial certificates (open-end funds), net asset values as of the balance sheet date; (c) bonds-period-end reference prices published by the Taipei Exchange or internal model prices; (d) bank debentures issued overseas and the overseas bonds-period-end reference prices published by market quotation, calculated through an internal model or provided by a counter-party.

The Group assessed the active level of market and the adequacy of fair value of emerging stocks and measured the investments at fair value.

The Group assessed the fair value of unlisted counters using the market approach, income approach and asset approach. The above methods use the price and other relevant information generated by the market transactions involving comparable or comparable assets, liabilities or assets and liabilities.

3) Credit risk valuation adjustment is set out below:

Credit risk valuation consists of credit valuation adjustment and debit valuation adjustment.

Credit valuation adjustment is adopted for derivative contracts trading in other than exchange markets, over-the-counter (OTC) and reflects the non-performance risk of the counterparty on fair value.

Debit valuation adjustment is adopted for derivative contracts trading in other than exchange market, OTC, and reflects the non-performance risk of the Group on fair value.

The Group calculated debit and credit valuation adjustment based on models with inputs of Probability of Default (PD) and Loss Given Default (LGD) multiplying Exposure at Default (EAD).

The Group calculated EAD based on mark-to-market fair value of OTC derivative instruments.

The Group takes 60% as the standard LGD of counter parties, and subject to change under the risk nature and data feasibility.

The Group take credit risk valuation adjustment into valuation of the fair value of financial instruments, thus reflect the credit quality of counter parties and the Group.

4) Transfer between Levels 1 and 2

For the six months ended June 30, 2024, the Group transferred part of the government bonds and bank debentures amounts \$5,289,126 transferred from Levels 1 to 2 because the Group determined these investments were not in an active market.

For the six months ended June 30, 2023, the Group transferred part of the government bonds, corporate bonds and bank debentures amounts \$12,386,129 transferred from Levels 1 to 2 because the Group determined these investments were not in an active market.



5) Reconciliation of Level 3 items of financial instruments

a) Reconciliation of Level 3 items of financial assets

For the Six Months Ended June 30, 2024									
Items	Beginning Balance	Gains (Losses) on Valuation		Increase		Decrease		Effects of Changes in Exchange Rate	Ending Balance
		Profit and Loss	Other Comprehensive Income	Purchase/Issued	Transfer to Level 3 (Note)	Disposed/Sold	Transfer Out of Level 3 (Note)		
<u>Non-derivative financial instruments</u>									
Financial assets at fair value through profit or loss									
Financial assets mandatorily classified as at FVTPL									
Stock	\$ 2,212,754	\$ 205,266	\$ -	\$ 513,504	\$ 122,276	\$ (259,375)	\$ (132,673)	\$ 308	\$ 2,662,060
Bonds	1,867,592	25,366	-	81,919	-	(1,210,221)	-	63,885	828,541
Financial assets at fair value through other comprehensive income									
Equity instruments at FVTOCI									
Stock	2,902,783	-	529,056	-	-	-	-	-	3,431,839
Debt instruments at FVTOCI									
Bonds	1,943,561	-	33,537	3,476	-	-	-	73,194	2,053,768
<u>Derivative financial instruments</u>									
Financial assets at fair value through profit or loss									
Financial assets mandatorily classified as at FVTPL	2,739,729	1,766,674	-	-	-	-	-	-	4,506,403

For the Six Months Ended June 30, 2023									
Items	Beginning Balance	Gains (Losses) on Valuation		Increase		Decrease		Effects of Changes in Exchange Rate	Ending Balance
		Profit and Loss	Other Comprehensive Income	Purchase/Issued	Transfer to Level 3 (Note)	Disposed/Sold	Transfer Out of Level 3 (Note)		
<u>Non-derivative financial instruments</u>									
Financial assets at fair value through profit or loss									
Financial assets mandatorily classified as at FVTPL									
Stock	\$ 2,132,325	\$ 192,278	\$ -	\$ 55,317	\$ 11,145	\$ (184,550)	\$ (353,637)	\$ 106	\$ 1,852,984
Bonds	1,855,295	5,383	-	13,021	-	(939,297)	(28,303)	7,747	913,846
Financial assets at fair value through other comprehensive income									
Equity instruments at FVTOCI									
Stock	2,759,596	-	(161,509)	44,919	-	(5,445)	-	-	2,637,561
Debt instruments at FVTOCI									
Bonds	1,954,346	-	(20,544)	3,221	-	-	-	12,864	1,949,887
<u>Derivative financial instruments</u>									
Financial assets at fair value through profit or loss									
Financial assets mandatorily classified as at FVTPL	2,616,402	511,441	-	-	-	-	-	-	3,127,843

Note: Items are transferred to Level 3 for the six months ended June 30, 2024 and 2023 for lack of observable price (due to the inactive transaction in the securities market); items transferring out of Level 3 are because the price can be attained from the securities market.

For the six months ended June 30, 2024 and 2023, the gains on valuation included in net income with assets still held were \$2,177,988 and \$1,020,967, respectively.

For the six months ended June 30, 2024 and 2023, the gain or loss on valuation included in other comprehensive income with assets still held were gain \$562,593 and loss \$182,053, respectively.

b) Reconciliation of Level 3 items of financial liabilities

For the Six Months Ended June 30, 2024									
Items	Beginning Balance	Valuation Gain/Loss Reflected on Profit or Loss	Increase		Decrease		Effect of Changes in Exchange Rate	Ending Balance	
			Purchase/Issued	Transfer to Level 3	Disposed/Sold	Transfer Out of Level 3			
<u>Derivative financial instruments</u>									
Financial liabilities at fair value through profit or loss									
Held-for-trading financial liabilities	\$ 1,644,439	\$ 1,016,379	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,660,818
Financial liabilities designated as at fair value through profit or loss	66,788	3,429	2,145,403	-	(1,192,854)	-	-	-	1,022,766

Items	For the Six Months Ended June 30, 2023							Ending Balance
	Beginning Balance	Valuation Gain/Loss Reflected on Profit or Loss	Increase		Decrease		Effect of Changes in Exchange Rate	
			Purchase/ Issued	Transfer to Level 3	Disposed/Sold	Transfer Out of Level 3		
<u>Derivative financial instruments</u>								
Financial liabilities at fair value through profit or loss								
Held-for-trading financial liabilities	\$ 1,507,083	\$ 441,249	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,948,332
Financial liabilities designated as at fair value through profit or loss	18,035	847	124,869	-	(113,454)	-	-	30,297

For the six months ended June 30, 2024 and 2023, the losses on valuation included in net income with liabilities still held were \$1,138,919 and \$764,269, respectively.

6) Quantitative information about the significant unobservable inputs (Level 3) used in the fair value measurement

Quantitative information about the significant unobservable inputs is set out below:

June 30, 2024

Financial Instruments Measured at Fair Value	Financial Assets	Financial Liabilities	Valuation Techniques	Significant Unobservable Inputs	Interval (Weighted-average)
<u>Derivative financial instruments</u>					
Financial instruments at fair value through profit or loss					
Financial assets mandatorily classified as at FVTPL and held-for-trading financial liabilities					
Interest rate swap contracts	\$ 4,249,645	\$ 2,404,185	Sellers' quote	(Notes 1 and 2)	-
Currency swap contracts - Hybrid FX swap structured instruments	171,063	170,970	Sellers' quote	(Note 1)	-
Others	85,695	85,663	Sellers' quote	(Note 1)	-
	<u>\$ 4,506,403</u>	<u>\$ 2,660,818</u>			
Financial instruments designated as at fair value through profit or loss					
Liabilities for structured note	<u>\$ -</u>	<u>\$ 1,022,766</u>	Self-built option pricing model	Volatility	3%-43% (Note 4)
<u>Non-derivative financial instruments</u>					
Financial instruments at fair value through profit or loss					
Financial assets mandatorily classified as at FVTPL					
Stock	\$ 2,662,060	\$ -	Market approach or asset approach or market value with liquidity valuation discount	Other shareholders and discount factor of liquidity (Note 3)	0%-30%
Bonds	828,541	-	Taipei Exchange's quote or Bloomberg's quote or sellers' quote		-
	<u>\$ 3,490,601</u>	<u>\$ -</u>			
Financial assets at fair value through other comprehensive income					
Equity instruments at FVTOCI					
Stock	\$ 3,431,839	\$ -	Market approach or asset approach or income approach or market value with liquidity valuation discount	Others shareholders and discount factor of liquidity	10%-30%
Debt instruments at FVTOCI					
Bonds	2,053,768	-	Taipei Exchange's quote or Bloomberg's quote or sellers' quote	(Note 3)	-
	<u>\$ 5,485,607</u>	<u>\$ -</u>			

December 31, 2023

Financial Instruments Measured at Fair Value	Financial Assets	Financial Liabilities	Valuation Techniques	Significant Unobservable Inputs	Interval (Weighted-average)
<u>Derivative financial instruments</u>					
Financial instruments at fair value through profit or loss					
Financial assets mandatorily classified as at FVTPL and held-for-trading financial liabilities					
Interest rate swap contracts	\$ 2,431,654	\$ 1,336,524	Sellers' quote	(Notes 1 and 2)	-
Currency swap contracts - Hybrid FX swap structured instruments	250,670	250,534	Sellers' quote	(Note 1)	-
Others	<u>57,405</u>	<u>57,381</u>	Sellers' quote	(Note 1)	-
	<u>\$ 2,739,729</u>	<u>\$ 1,644,439</u>			
Financial instruments designated as at fair value through profit or loss					
Liabilities for structured note	<u>\$ -</u>	<u>\$ 66,788</u>	Self-built option pricing model	Volatility	3%-34% (Note 5)
<u>Non-derivative financial instruments</u>					
Financial instruments at fair value through profit or loss					
Financial assets mandatorily classified as at FVTPL					
Stock	\$ 2,212,754	\$ -	Market approach or asset approach or market value with liquidity valuation discount	Other shareholders and discount factor of liquidity (Note 3)	0%-35%
Bonds	<u>1,867,592</u>	<u>-</u>	Taipei Exchange's quote or Bloomberg's quote or sellers' quote		-
	<u>\$ 4,080,346</u>	<u>\$ -</u>			
Financial assets at fair value through other comprehensive income					
Equity instruments at FVTOCI					
Stock	\$ 2,902,783	\$ -	Market approach or asset approach or income approach or market value with liquidity valuation discount	Other shareholders and discount factor of liquidity	0%-35%
Debt instruments at FVTOCI					
Bonds	<u>1,943,561</u>	<u>-</u>	Taipei Exchange's quote or Bloomberg's quote or sellers' quote	(Note 3)	-
	<u>\$ 4,846,344</u>	<u>\$ -</u>			

June 30, 2023

Financial Instruments Measured at Fair Value	Financial Assets	Financial Liabilities	Valuation Techniques	Significant Unobservable Inputs	Interval (Weighted-average)
<u>Derivative financial instruments</u>					
Financial instruments at fair value through profit or loss					
Financial assets mandatorily classified as at FVTPL and held-for-trading financial liabilities					
Interest rate swap contracts	\$ 2,742,125	\$ 1,562,819	Sellers' quote	(Notes 1 and 2)	-
Currency swap contracts - Hybrid FX swap structured instruments	357,070	356,878	Sellers' quote	(Note 1)	-
Others	<u>28,648</u>	<u>28,635</u>	Sellers' quote	(Note 1)	-
	<u>\$ 3,127,843</u>	<u>\$ 1,948,332</u>			
Financial instruments designated as at fair value through profit or loss					
Liabilities for structured note	<u>\$ -</u>	<u>\$ 30,297</u>	Self-built option pricing model	Volatility	3%-38% (Note 6)
<u>Non-derivative financial instruments</u>					
Financial instruments at fair value through profit or loss					
Financial assets mandatorily classified as at FVTPL					
Stock	\$ 1,852,984	\$ -	Market approach or asset approach or market value with liquidity valuation discount	Other shareholders and discount factor of liquidity (Note 3)	0%-35%
Bonds	<u>913,846</u>	<u>-</u>	Taipei Exchange's quote or Bloomberg's quote or sellers' quote		-
	<u>\$ 2,766,830</u>	<u>\$ -</u>			
Financial assets at fair value through other comprehensive income					
Equity instruments at FVTOCI					
Stock	\$ 2,637,561	\$ -	Market approach or asset approach or income approach or market value with liquidity valuation discount	Others shareholders and discount factor of liquidity	0%-35%
Debt instruments at FVTOCI					
Bonds	<u>1,949,887</u>	<u>-</u>	Taipei Exchange's quote or Bloomberg's quote or sellers' quote	(Note 3)	-
	<u>\$ 4,587,448</u>	<u>\$ -</u>			

Note 1: On pairs of back-to-back transactions, consequences of significant unobservable inputs and fair values are not fully captured in practice. Therefore, both inputs are not disclosed.

Note 2: Considering the risk model, the seller's quotation is provided for reference; consequences of significant unobservable inputs and fair values are not fully captured in practice. Therefore, both inputs are not disclosed.

Note 3: Due to zero coupon callable bonds and international bonds listed in the OTC market lack liquidity, no observable liquidity reduction factor could be obtained. Therefore, no disclosure has been made.

Note 4: The stock price volatilities of structured notes issued by SinoPac Securities and its' subsidiaries were between 3% and 43%.

Note 5: The stock price volatilities of structured notes issued by SinoPac Securities s and its' subsidiaries were between 3% and 34%.

Note 6: The stock price volatilities of structured notes issued by SinoPac Securities s and its' subsidiaries were between 3% and 38%.

7) Valuation processes for fair value measurements categorized within Level 3

The Group assesses the derivative financial instruments' fair values according to the quote by counterparties; related assessments are compiled as risk-control reports and inform the manager and the board of directors by month.

The risk management department is responsible for independent testify of fair value of non-derivative financial instruments. The team also use the independent source date to bring the assessment results closer to market conditions, confirm that data sources are independent, reliable, consistent with other resources and represent executable price, calibrate the evaluation model periodically and update input values and data required for the evaluation model to ensure the evaluation results are reasonable.

8) The sensitivity analysis of reasonable, possible and alternative hypothesis for the Level 3 of fair value measurements

The Group evaluates financial instruments reasonably, although using different valuation model and parameter may cause different valuation results. For financial instruments classified as Level 3 and the fair value source used lacks observable input, i.e., liquidity reduction factor. If the change of estimated liquidity cost, estimated at 99% confidence interval and based on historical data of market turnover in the past two years, are included in the estimation, the impact on net income or other comprehensive income is as follows:

June 30, 2024

Item	Changes in the Fair Value Reflected in Profit or Loss		Changes in the Fair Value Reflected in Other Comprehensive Income	
	Unfavorable Change	Favorable Change	Unfavorable Change	Favorable Change
<u>Asset</u>				
Financial assets at fair value through profit or loss				
Financial assets mandatorily classified as at fair value through profit or loss	\$ (97,628)	\$ 97,628	\$ -	\$ -
Financial assets at fair value through other comprehensive income				
Debt instruments at fair value through other comprehensive income	\$ -	\$ -	\$ (26,482)	\$ 26,482

December 31, 2023

Item	Changes in the Fair Value Reflected in Profit or Loss		Changes in the Fair Value Reflected in Other Comprehensive Income	
	Unfavorable Change	Favorable Change	Unfavorable Change	Favorable Change
<u>Asset</u>				
Financial assets at fair value through profit or loss				
Financial assets mandatorily classified as at fair value through profit or loss	<u>\$ (103,217)</u>	<u>\$ 103,217</u>	<u>\$ -</u>	<u>\$ -</u>
Financial assets at fair value through other comprehensive income				
Debt instruments at fair value through other comprehensive income	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (36,714)</u>	<u>\$ 36,714</u>

June 30, 2023

Item	Changes in the Fair Value Reflected in Profit or Loss		Changes in the Fair Value Reflected in Other Comprehensive Income	
	Unfavorable Change	Favorable Change	Unfavorable Change	Favorable Change
<u>Asset</u>				
Financial assets at fair value through profit or loss				
Financial assets mandatorily classified as at fair value through profit or loss	<u>\$ (83,119)</u>	<u>\$ 83,119</u>	<u>\$ -</u>	<u>\$ -</u>
Financial assets at fair value through other comprehensive income				
Debt instruments at fair value through other comprehensive income	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (25,680)</u>	<u>\$ 25,680</u>

c. Financial instruments not carried at fair value

1) Fair value information of financial instruments

Financial instruments not carried at fair value excluding the table below are reasonably close to their fair value, therefore no additional disclosure, for example: Cash and cash equivalents, due from the Central Bank and call loans to banks, securities purchased under resell agreements, receivables, discounts and loans, some other financial assets, deposits from the Central Bank and banks, due to the Central Bank and banks, securities sold under repurchase agreements, commercial papers payables, payables, deposits and remittances, short-term and long-term borrowings, liability component of preferred stock and other financial liabilities.

Items	June 30, 2024	
	Carrying Amount	Fair Value
Investments in debt instruments at amortized cost	\$ 310,057,984	\$ 298,808,929
Bonds payable	68,479,903	67,666,564

Items	December 31, 2023	
	Carrying Amount	Fair Value
Investments in debt instruments at amortized cost	\$ 303,546,679	\$ 295,595,153
Bonds payable	71,827,113	71,151,976

Items	June 30, 2023	
	Carrying Amount	Fair Value
Investments in debt instruments at amortized cost	\$ 273,843,137	\$ 264,019,770
Bonds payable	71,244,936	70,484,683

2) Hierarchy information of fair value of financial instruments

Assets and Liabilities Item	June 30, 2024			
	Total	Level 1	Level 2	Level 3
Investments in debt instruments at amortized cost	\$ 298,808,929	\$ 68,821,168	\$ 229,987,761	\$ -
Bonds payable	67,666,564	-	41,911,564	25,755,000

Assets and Liabilities Item	December 31, 2023			
	Total	Level 1	Level 2	Level 3
Investments in debt instruments at amortized cost	\$ 295,595,153	\$ 64,972,418	\$ 230,622,735	\$ -
Bonds payable	71,151,976	-	45,396,976	25,755,000

Assets and Liabilities Item	June 30, 2023			
	Total	Level 1	Level 2	Level 3
Investments in debt instruments at amortized cost	\$ 264,019,770	\$ 70,315,529	\$ 193,704,241	\$ -
Bonds payable	70,484,683	-	44,729,683	25,755,000

- 3) Methods and assumptions applied in estimating the fair values of financial instruments not carried at fair value are as follows:
- a) The carrying amounts of financial instruments such as cash and cash equivalents, due from the Central Bank and call loans to banks, securities purchased under resell agreements, receivables, some of other financial assets, deposits from the Central Bank and banks, due to the Central Bank and banks, commercial papers payables, securities sold under repurchase agreements, short-term borrowings, payables and other financial liabilities approximate their fair value because of the short maturity or the similarity of the carrying amount and future price.
  - b) Discounts and loans (including non-performing loans): The Group usually uses base rate (floating rate) as loan rate because it can reflect market rate. Thus, using its carrying amount to consider the probability of repossession and estimate its fair value is reasonable. Long-term loans with fixed rate should estimate its fair value by its discounted value of expected cash flow. Because this kind of loans is not significant in this item, using its carrying amount to consider the probability of repossession and estimate its fair value should be reasonable.
  - c) The investments in debt instruments at amortized cost: The debt instruments investments at amortized cost with quoted price in an active market are using market price as fair value; the debt instruments investments at amortized cost with no quoted price in an active market are estimated by valuation methods or opponent's price.
  - d) Deposits and remittances: Considering banking industry's characteristic, since deposits have one-year maturity and measured by market rate (market value), using carrying value to assess fair value is reasonable. For deposits with three-years maturity are measured by discounted cash flow, using carrying value to assess fair value is reasonable.
  - e) Bonds payable: Bonds payable with quoted price in an active market use market price or price quotations from counterparties to estimate fair value; bonds payable with no quoted price in an active market are estimated by valuation methods or based on prices of similar instruments.
  - f) Investments accounted for using equity method: The fair value of unquoted equity investments and investments accounted for using equity method cannot be reliably measured because there is no quoted price in an active market, the interval of variable fair value measurements is significant or the probability of the estimations in the variable interval cannot be reasonably assessed. Hence, no fair value can be disclosed.
  - g) Liability components of preferred stocks: These liability components are interest-bearing liabilities with floating interest rates; thus, their carrying amounts represent fair value.
  - h) Long-term borrowings: These borrowings are interest-bearing liabilities with floating interest rates; thus, their carrying amounts represent fair value.



## 49. FINANCIAL RISK MANAGEMENT

### Bank SinoPac and Its Subsidiaries

#### a. Overview

Bank SinoPac and its subsidiaries document the risk management policies, including overall operating strategies and risks control philosophy. Bank SinoPac and its subsidiaries' overall risk management policies are to minimize the possibility of potential unfavorable factors. The board of directors approves the documentation of overall risk management policies, (including climate risk) and specific risk management policies, including credit risk, liquidity risk, market risk, operational risk, derivative instruments transactions and managements. The board of directors reviews the policies regularly and reviews the operation to make sure Bank SinoPac and its subsidiaries' policies are executed properly.

#### b. Risk management framework

The board of directors is the top risk supervisor of Bank SinoPac and its subsidiaries. The board not only reviewed risk management policies and rules but also authorized management to be in charge of daily risk management work. Bank SinoPac has set up a risk management committee under the chairman of the Board to be responsible for the services above; Bank SinoPac has also set up a credit committee. The credit committee helps the board of directors approve cases over general manager's authority and cases related to credit risk investment under the board's authorization, reporting to the Board of Directors on a regular basis.

Bank SinoPac and its subsidiaries comply with the sustainability policies of the competent authorities and the Group, establishing climate risk and opportunity-related regulations. The regulations outline the governance framework and management mechanisms for climate risk and opportunity, including the responsibilities of the board of directors, executives and three lines of defense.

The board of directors authorized Bank SinoPac and its subsidiaries' management to supervise risk management activities, evaluate the performance and confirm every risk management agent having essential code of ethic and professional skills. Internal audit is responsible for the periodic review of risk management and the control environment, then reports the results directly to the board of directors.

Bank SinoPac has set up a risk management department to control risk management policies, establish rules, plan and set up risk management system. The risk management department executes these policies based on the board's approval, then reports the results and performance reviews to the authority or the board.

#### c. Credit risk

##### 1) Sources and definitions of credit risk

Credit risk is the risk of financial loss if a customer or counterparty fails to meet an obligation under a contract. Credit-related businesses mainly refer to fund financing/advance payment, loans, credit card-related credit, acceptance, guarantee or commitment, trade financing, foreign exchange transactions, as well as the counterparty and issuer's credit risks related to investing in securities and conducting derivative trading. The issuer's credit risk should be considered as part of the market risk when the investment target is part of securities in an active market.

## 2) Policies and strategies

Bank SinoPac and its subsidiaries established policies based on operating goals and strategies, business plans and risk management goals authorized by the board of directors. These policies were established to lower potential financial losses, minimize risks and rewards to raise the performance and protect shareholders' equity through appropriate managing policies and procedures based on risk-diversification principle.

Bank SinoPac and its subsidiaries risk strategy is to strengthen the credit risk management framework, establish complete credit verification system and procedure, develop and use efficient and scientific credit risk managing instruments to identify, measure, manage and supervise credit risks. These strategies transparentize, systematize, specialize and formalize credit risk management to manage loans, non-performing assets and every kind of assets' credit risk.

Bank SinoPac and its subsidiaries have set up policies of main risks as prime direction based on legislations and operational goals. These policies include risk appetite, management goals, organization structure of responsibility and accountability, measurement, evaluation, supervision and report procedure of risks. These policies are established to reach the purposes of consistency and centralized management and are put into practice in corporate government.

Credit risk management procedures and measurements are as follows:

### a) Loan business (includes loan commitment and guarantee)

Loan business classification and qualities are as follows:

#### i. Classification

Bank SinoPac classified credit assets as normal assets, assets that require special mentioned, assets with substandard, assets with doubtful collectability, and assets on which there is loss. In order to manage credit problem, Bank SinoPac issued "Evaluate Assets and Deal with Non-performing/Non-accrual Loans" for managing credit problem and debt collection.

Bank SinoPac (China) Ltd. strictly follows the "Guidance for the Risk-Based Loan Categorization" established by the China Banking Regulatory Commission. It divides its loans into five categories based on a debtor's ability to repay the full principal and interest on time. The five categories are normal, special mention, substandard, doubtful, and loss. The last three categories are considered non-performing loans.

#### ii. Credit quality level

Bank SinoPac and its subsidiaries sets up credit quality level (ex. internal credit risk assessment model, credit assessment rules) based on business characteristic and scale to manage risks.

In order to measure clients' credit risks, Bank SinoPac and its subsidiaries established a credit risk assessment model for corporate banking and retail banking through statistical methods, professional judgment and clients' information. Each model is regularly monitored for its effectiveness to examine whether the predicted results match the actual conditions, and Bank SinoPac and its subsidiaries will evaluate the suitability of the models accordingly.

For corporate banking customers, in addition to using credit rating models for risk pricing and limit control, Bank SinoPac and its subsidiaries have also developed a dedicated risk rating system for the small and micro enterprises who apply through a standardized project process. In addition to differentiated classification for each rating, the system will directly reject customers whose risk ratings are too high.

For retail banking customers, every case will be reviewed individually to assess default risks except that credit and credit card business should be assessed by the credit risk assessment model and be used as a basis for approval.

b) Investment business

Bank SinoPac and its subsidiaries manage and identify credit risks of debt investment through credit ratings by outsiders, credit qualities of the debt, regional conditions and counterparties' risks.

Bank SinoPac and its subsidiaries carry out derivative instrument transactions with counterparties in financial industry which are almost above the investment level. Bank SinoPac and its subsidiaries would control credit risks based on counterparties' credit lines; counterparties at non-investment level should be reviewed individually. Normal customers' credit exposure positions should be controlled by approved derivative instrument credit line and condition based on normal credit procedure.

3) Credit risk hedge or mitigation policies

a) Collateral

Bank SinoPac and its subsidiaries have set up several standards dealing with credit exposures and collateral requirements in order to mitigate credit risks and maintain creditor's rights. The standards cover areas such as collateral appraisal and management disposal of collateral, acceptance of real estate as collateral, credit policies for every commodity to regulate collateral categories, appraisals, procedures, deduction percentages, loan rate, maturity analysis, management and disposal.

To maintain collateral's effectiveness, Bank SinoPac and its subsidiaries supervise and manage the collateral by examining the usage, custody and maintenance of collateral regularly and irregularly to avoid selling, leasing, pledging, moving and disposing collaterals without authorization. Once the loan is due but will be extended, the contract should be seen as a new case and the collateral should be revalued.

b) Credit risk limits and credit risk concentration control

Bank SinoPac and its subsidiaries manage credit line and concentration of credit assets through appropriate information managing system that gathers information on credit exposure to centralized conditions, exposure of credit asset combinations, including national risk, large credit exposure, credit line of single corporation, group and industry. For cases approaching credit limit, the concerned unit should report to management and make control strategies; for cases exceeding credit limit, it should be submitted to the Credit Committee for approval and report to the Board of Directors for review.

c) Agreement of net settlement

Bank SinoPac and its subsidiaries often makes gross settlement on transactions, sign net settlement contract with other counterparties or cancel every transactions and make net settlement when default occurs to mitigate credit risk.

4) The determination since the initial recognition of the credit risk has increased significantly

a) Loan business

Bank SinoPac and its subsidiaries assess the change in the risk of default of various credit assets during the lifetime on each reporting date to determine if the credit risk has increased significantly since the initial recognition. In order to make this assessment, the main consideration is reasonable and supportable information that the credit risk has increased significantly since the initial recognition (including forward-looking information), key indicators include:

i. Quantitative indicators

Information on overdue conditions: When the contractual payments were overdue for more than 30 days to overdue 89 days, it has been determined that credit risk of the financial assets after the initial recognition was significantly increased.

ii. Qualitative indicators

i) Although the loan has not been repaid or due on the maturity date, there are other bad debts and the asset classification is not normal.

ii) The loan review report belonging to an abnormal credit.

iii) The credit card transaction with Bank SinoPac is abnormal.

On the basis of various credit asset evaluation benchmark days of Bank SinoPac and its subsidiaries, if the credit risk does not increase significantly and not belong to an impaired financial asset, it can be determined that the credit risk does not increase significantly after the initial recognition.

b) Investment business

Bank SinoPac and its subsidiaries adopt the change in external credit rating scales determined by international credit rating agencies as one of the quantitative indicators to measure whether the credit risk is significantly increased for debt instruments measured at amortized cost and debt instruments measured at fair value through other comprehensive income. The credit risk is considered to have significantly increased if the instrument's credit rating falls from an investment grade to a non-investment grade or if there is a downgrade within non-investment grade categories. The measurement of expected credit loss is based on the PD and LGD information of the rating.

5) Definition of financial asset default and credit impairment

Bank SinoPac and its subsidiaries' definition of financial asset default is the same as financial asset credit impairment. If one or more of the following conditions are satisfied, Bank SinoPac and its subsidiaries determines that the financial asset has defaulted and has credit impairment.

a) Quantitative indicators

Principal or interest is overdue for more than three months.

b) Qualitative indicators

If there is evidence that the debtor will not be able to pay the contract money, or the debtor is facing significant financial difficulties, for examples:

- i. The main debtor has been chased, or the collateral has been disposed of.
- ii. The main debtor has not paid short-term advance to Bank SinoPac and its subsidiaries.
- iii. The debtor applies for debt negotiation, debt extension and debt restructuring, etc. due to financial difficulties.
- iv. Other situation with objective evidence of impairment.

Bond investment belongs to credit ratings Ca-D bonds when the following situations occur:

- i. The issuer probably cannot repay the principal or interest on the bond maturity date.
- ii. It could be objectively judged that the issuer will not be able to repay the principal and interest of the bond on time before maturity.
- iii. Probability that the debtor will enter into bankruptcy or undergo financial reorganization.
- iv. The issuer encounters bankruptcy or being reorganized or taken over due to financial difficulties before bond maturity.

The above definition of default and credit impairment applies to all financial assets held by Bank SinoPac and its subsidiaries. It is consistent with the definition of relevant financial assets for internal credit risk management, and applicable to relevant impairment assessment model as well.

6) Write-off policy

If one of the following situations occurred, overdue and non-performing loans of Bank SinoPac, after deducting any estimated recoverable part, will be written off as bad debts.

- a) All or part of the creditor's right could not be enforced due to dissolution, escape, settlement, bankruptcy or other reasons of the debtors.
- b) The values of collateral and properties of the main and subordinate debtors are very low, compensation are not available after deducting the first mortgage, or it is unbeneficial that execution fee is close to or may exceed Bank SinoPac's reimbursable amount.
- c) The collateral and the properties of the main and subordinate debtors are unsold after multiple discount auctions and not beneficial to Bank SinoPac.
- d) Overdue and non-performing loans have not been recovered after more than 2 years from the maturity date.

Bank SinoPac has procedures for recording accounts written-off and for keeping such records for inspection. Relevant business department continues to watch for movements of the main and subordinate debtors all the time. If there is any property available for execution, Bank SinoPac will take appropriate legal action.

## 7) Amendment to financial asset contract cash flows

Bank SinoPac and its subsidiaries will amend financial asset contract cash flows when borrowers are in financial difficulties, as a result of improvement of problematic debtors' recovery rate or for maintenance of customer relationships. Financial asset contract cash flows amendment include extension of contract period, interest payment date modification, contract interest modification, or exemption from certain requirements of part of debts. The amendment could result in Bank SinoPac and its subsidiaries disposal of existing financial asset and recording of new financial asset at fair value.

If the modification of the contractual cash flows of financial asset does not result in derecognition of asset, Bank SinoPac and its subsidiaries will assess whether the credit risk of financial asset has increased significantly by comparing the following:

- a) Risk of breaching the contract on the reporting date (based on revised contract terms).
- b) The risk of default in the original recognition (based on the original unmodified contract terms).

Bank SinoPac and its subsidiaries will consider the borrower's subsequent payment in accordance with the revised terms and several relevant behavior indicators to assess the probability of default on the revised financial asset, and confirm whether the contract modification improves or restore Bank SinoPac and its subsidiaries' ability to recover related contract payments.

## 8) Measurement of expected credit losses

For the purpose of measuring expected credit losses, Bank SinoPac and its subsidiaries will look into the business attributes of the credit assets (such as corporate finance and retail finance, etc.) as well as the size of the company, types of collateral, and remaining period of maturities, etc. and group the credit risk characteristics into three stages: No significant increase in credit risk (stage 1), significant increase in credit risk (stage 2), and credit impairment (stage 3) according to the credit risk level at the valuation date.

Bank SinoPac and its subsidiaries provide allowance for 12-month expected credit losses when financial instruments did not have a significant increase in credit risk since the initial recognition. Financial instruments are provided with allowance for full-lifetime expected credit losses when there is significant increase in credit risk or credit impairment since the initial recognition.

To measure expected credit losses, Bank SinoPac and its subsidiaries take into account the borrower's PD for the next 12 months and for the period of existence, and includes LGD, and EAD taking into account the impact of the time value of money. The expected credit losses for 12 months and for full-lifetime are calculated.

Bank SinoPac assesses the amount of Exposure at default of lending based on outstanding loan principal of customers, interest receivable and short-term advances at the end of each period. In addition, when estimating the expected credit losses of lending financing commitments, Exposure at default used to calculate expected credit losses is determined based on the conditions and days of the financing commitment and by reference to the credit risk conversion factor of Basel Capital Accord.

Probability of default is the default probability of the borrower, and the default loss rate is the rate of loss caused by default of the borrower. The default probability and default loss rate used in the impairment assessment and calculation of expected credit losses of Bank SinoPac loan business are based on internal historical information (such as credit loss experience, etc.) of each borrower group, with adjustments to the historical data based on the current observable data and forward-looking economic information. The expected loss of debt instrument investment is calculated according to the default rate information and external recovery rate information published by the external credit rating agencies.

## 9) Forward-looking information considerations

### a) Credit assets

Bank SinoPac takes forward-looking information into account when determining whether the credit risk of the credit assets has increased significantly since the initial recognition and measures the expected credit losses. Bank SinoPac uses historical data and expert judgments to analyze and identify the economic factors that affect the credit risk and expected credit losses of various asset groups, such as GDP and unemployment rate. Bank SinoPac obtains quarterly historical data and forecast information of the relevant economic factors from international financial organizations (such as the International Monetary Fund (IMF)) and Directorate General of Budget, Accounting and Statistics, Executive Yuan. This forecast information contains the best estimate of the economic situation in the next five years.

The relevant economic factors and their impact on PD differ among different credit business. Bank SinoPac classifies credit product types as:

- i. Enterprise, sovereignty, and bank credit exposure.
- ii. Home Mortgage Loan credit exposure.
- iii. Qualified cycling retail credit exposure.
- iv. Other retail credit exposure.

With reference to the Basel Capital Accord IRB method, the correlation coefficient of various types of credit products and risk category is calculated and forward-looking information is used to adjust the default probability.

### b) Investment business

For the debt instrument investment measured at amortized cost and measured at fair value through other comprehensive income, one of the indicators of significant increase in credit risk is the quantified change in the external rating class announced by the international credit rating agencies, and the measurement of expected credit losses is based on the information of the default ratings and default loss rates regularly announced by external rating agencies and international credit rating agencies. As international credit rating agencies have considered forward-looking information in assessing credit ratings, Bank SinoPac's assessment of forward-looking information is appropriate, and is included in Bank SinoPac's assessment of expected credit losses.

c) Bank SinoPac (China)

Bank SinoPac (China) considers prospective information when calculating expected credit losses, frameworks a prospective information forecast performance of model to ensure prospective factor and frameworks a conduction model transfer prospective factor to expected credit losses, conducts prospective adjustment about parameter correlation of expected credit losses, evaluates model and evaluates prospective information influence.

Bank SinoPac (China) has established an index pool including a number of indicators, such as the proportion of non-performing loans, GDP, PPI, PMI, and the weighted average interest rate of CNY loans of financial institutions, and incorporates the predicted values of the above indicators into the relevant parameters of the expected credit loss in the return model to implement forward-looking adjustments, that is, establish the relationship between the default probability and the macro economy through the return model, transmit macroeconomic changes to the default probability through forward-looking macro factors and update the forward-looking information every six months. In the event of major domestic and foreign events (including but not limited to political, economic, financial, health, environmental, climate, natural disasters and other events) or major adjustments to relevant policies, relevant forward-looking information shall be updated in a timely manner.

10) The maximum credit exposure of the financial instruments held by Bank SinoPac and Bank SinoPac (China) Ltd.

Maximum credit exposures of assets on balance sheet excluding collaterals and other credit enhancement instruments are almost equivalent to the carrying value. The maximum credit exposures (excluding collaterals, other credit enhancement instruments and undrawn maximum exposure) off-balance-sheet were as follows:

Off-Balance Sheet Items	The Maximum Credit Exposure		
	June 30, 2024	December 31, 2023	June 30, 2023
Undrawn credit card commitments	\$ 236,065,712	\$ 230,289,636	\$ 227,084,999
Undrawn loan commitments	68,450,033	48,377,846	49,314,929
Guarantees	31,176,289	31,015,776	34,967,206
Standby letter of credit	4,202,971	4,013,033	6,822,992

Bank SinoPac and Bank SinoPac (China) Ltd. adopt a strict and continuous evaluation procedure and review the result regularly to control and minimize off-balance-sheet credit risk exposures.

The contract amount in the credit business and financial instruments may not be fully paid before the maturity; therefore, the contract amount is not deemed as the amount of future cash outflow. In other words, the future cash demand is lower than contract amount. If the credit limit is exceeded and collaterals lose their value, the amount of credit risk is equal to the contract amount which is the possible maximum loss.

11) Credit risk exposures concentration of Bank SinoPac and its subsidiaries

When financial instruments transactions concentrated on one counterparty or several counterparties, which engaged in similar business activities, had similar economic characteristics and abilities to execute contracts, the credit risk concentration arises.



Credit risk concentrations can arise in Bank SinoPac and its subsidiaries' assets, liabilities or off-balance sheet items through the execution or processing of transactions (either product or service) or through a combination of exposures across these broad categories. It includes credit, due from the banks and call loan to banks, investment, receivables and derivatives. Bank SinoPac and its subsidiaries maintain a diversified portfolio to limit its exposure to any geographic region, country or individual creditor and monitor its exposures continually. Bank SinoPac and its subsidiaries' most significant concentrations of credit risk are summarized by industry, region and collateral as follows:

a) By industry

Industries	June 30, 2024		December 31, 2023		June 30, 2023	
	Amount	%	Amount	%	Amount	%
Private enterprise	\$ 744,312,950	48.31	\$ 680,594,557	47.31	\$ 675,951,567	47.63
Public enterprise	8,057,091	0.52	4,310,264	0.30	16,949,395	1.19
Government sponsored enterprise and business	15,000,000	0.97	22,000,000	1.53	31,954,000	2.25
Nonprofit organization	252,648	0.02	187,720	0.01	190,083	0.01
Private	748,943,871	48.62	713,683,200	49.61	679,852,284	47.90
Financial institutions	24,034,145	1.56	17,778,569	1.24	14,436,465	1.02
Total	\$ 1,540,600,705	100.00	\$ 1,438,554,310	100.00	\$ 1,419,333,794	100.00

b) By region

Regions	June 30, 2024		December 31, 2023		June 30, 2023	
	Amount	%	Amount	%	Amount	%
Domestic	\$ 1,235,044,100	80.17	\$ 1,171,933,921	81.47	\$ 1,155,529,658	81.41
Asia	152,601,236	9.90	138,006,276	9.59	145,926,537	10.28
North America	77,148,476	5.01	76,803,429	5.34	74,175,715	5.23
Others	75,806,893	4.92	51,810,684	3.60	43,701,884	3.08
Total	\$ 1,540,600,705	100.00	\$ 1,438,554,310	100.00	\$ 1,419,333,794	100.00

c) By collateral

Collaterals	June 30, 2024		December 31, 2023		June 30, 2023	
	Amount	%	Amount	%	Amount	%
Credit Secured	\$ 530,985,535	34.47	\$ 486,869,700	33.85	\$ 494,224,689	34.82
Stocks	4,145,585	0.27	3,911,115	0.27	3,548,003	0.25
Bonds	15,674,051	1.02	10,234,498	0.71	13,931,463	0.98
Real estate	897,636,424	58.26	852,815,502	59.28	826,051,807	58.20
Movable collaterals	62,347,062	4.05	57,658,479	4.01	56,175,630	3.96
Guarantees	17,756,405	1.15	15,814,892	1.10	13,258,380	0.93
Others	12,055,643	0.78	11,250,124	0.78	12,143,822	0.86
Total	\$ 1,540,600,705	100.00	\$ 1,438,554,310	100.00	\$ 1,419,333,794	100.00

12) The financial impact of credit risk mitigation policies

a) Collateral and other credit enhancements

Bank SinoPac and its subsidiaries implement a series of policies and measures to reduce credit risk for loan business; one of the commonly used methods is to require borrowers to provide collateral. Bank SinoPac and its subsidiaries have designed and follows procedures for enforcing rights to collateral and the valuation, management, and disposal of collateral. The main types of collateral for financial assets of Bank SinoPac and its subsidiaries are as follows:

- i. Real estate mortgage loan.
- ii. Derivatives margin agreement.

The credit contract has provisions for the preservation of debts and guarantees, which clearly define that when credit incidents occur, Bank SinoPac and its subsidiaries is to be able to reduce the credit limit, shorten the loan repayment deadline or treat all of them as due, so as to reduce the credit risk.

Other collateral for non-loan business depends on the nature of the financial instrument. Only asset-based securities and other similar financial instruments are secured by a group of asset-pooled financial instruments.

There was no material change in the collateral policy of Bank SinoPac, and there was no significant change in the overall collateral quality on the balance sheet date.

b) Amount of collateral for impaired financial assets

Bank SinoPac and its subsidiaries closely observe the value of the collateral of the financial instruments and consider adequacy of the allowance for the credit-impaired financial assets. On June 30, 2024, December 31, 2023 and June 30, 2023, the amount of discounts and loans were \$5,984,913, \$4,185,914 and \$4,281,954, with a provision for loss allowance of \$842,071, \$700,573 and \$700,077 under IFRS 9 Stage 3, and credit guarantees, real estate, movable assets or certificates of deposits, etc., which reduced the potential loss, amounted to \$4,049,303, \$2,801,569 and \$2,816,474.

c) The contracted amount of financial assets that have been written off and still have recourse activities

The contracted amount of financial assets that have been written off by Bank SinoPac and still have recourse activities are \$49,631,647, \$48,803,521 and \$49,012,895 on June 30, 2024, December 31, 2023 and June 30, 2023.

13) Management policies of collaterals assumed

Collaterals assumed are classified as other assets. According to regulations, Bank SinoPac should dispose of collaterals within four years.

There are no assumed collaterals of Bank SinoPac and its subsidiaries as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively.

14) Disclosures prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Public Banks

a) Overdue loans and receivables

Date		June 30, 2024					
		Non-performing Loan (NPL) (Note 1)	Total Loans	NPL Ratio (Note 2)	Loan Loss Reserves (LLR)	Coverage Ratio (Note 3)	
Corporate loan	Secured	\$ 753,483	\$ 306,544,354	0.25%	\$ 4,099,155	544.03%	
	Unsecured	221,140	467,472,099	0.05%	5,789,248	2,617.91%	
	Mortgage (Note 4)	200,923	401,224,287	0.05%	6,055,670	3,013.93%	
	Cash card	19	1,175	1.62%	242	1,273.68%	
Consumer loan	Micro credit (Note 5)	195,537	49,081,161	0.40%	905,250	462.96%	
	Others (Note 6)	Secured	295,326	274,962,838	0.11%	2,865,565	970.31%
		Unsecured	426	872,266	0.05%	10,756	2,524.88%
Total		1,666,854	1,500,158,180	0.11%	19,725,886	1,183.42%	
			Overdue Receivables	Accounts Receivables	Delinquency Ratio	Allowance for Credit Losses	Coverage Ratio
Credit card		30,933	24,494,138	0.13%	154,497	499.46%	
Accounts receivable - factoring with no recourse (Notes 7 and 8)		-	9,511,203	-	117,925	-	

Date		June 30, 2023					
Items		Non-performing Loan (NPL) (Note 1)	Total Loans	NPL Ratio (Note 2)	Loan Loss Reserves (LLR)	Coverage Ratio (Note 3)	
Corporate loan	Secured	\$ 462,348	\$ 284,779,233	0.16%	\$ 3,666,377	792.99%	
	Unsecured	196,005	434,295,547	0.05%	4,952,837	2,526.89%	
	Mortgage (Note 4)	195,787	366,188,546	0.05%	5,525,733	2,822.32%	
Consumer loan	Cash card	-	1,648	-	228	-	
	Micro credit (Note 5)	121,652	37,749,731	0.32%	673,906	553.96%	
	Others (Note 6)	Secured	153,442	253,883,484	0.06%	2,641,938	1,721.78%
		Unsecured	2,057	1,531,432	0.13%	18,888	918.23%
<b>Total</b>		1,131,291	1,378,429,621	0.08%	17,479,907	1,545.13%	
		<b>Overdue Receivables</b>	<b>Accounts Receivables</b>	<b>Delinquency Ratio</b>	<b>Allowance for Credit Losses</b>	<b>Coverage Ratio</b>	
Credit card		23,522	21,804,188	0.11%	153,466	652.44%	
Accounts receivable - factoring with no recourse (Notes 7 and 8)		-	11,328,267	-	152,616	-	

Note 1: For loan business: Overdue loans represent the amounts of overdue loans reported in accordance with the “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans”.

For credit card business: Overdue receivables are regulated by the Banking Bureau letter dated July 6, 2005 (Ref. No. 0944000378).

Note 2: For loan business: NPL ratio =  $NPL \div Total\ loans$ .

For credit card business: Delinquency ratio =  $Overdue\ receivables \div Accounts\ receivables$ .

Note 3: For loan business: Coverage ratio =  $LLR \div NPL$ .

For credit card business: Coverage ratio =  $Allowance\ for\ credit\ losses \div Overdue\ receivables$ .

Note 4: Household mortgage loan is a financing to be used by a borrower to buy, build, or fix a dwelling, and the dwelling owned by the borrower, spouse, or children is used to fully secure the loan.

Note 5: Micro credit loan is regulated by the Banking Bureau letter dated December 19, 2005 (Ref. No. 09440010950) and is not credit and debit cards’ micro credit loan.

Note 6: Others in consumer loans refers to secured or unsecured loans excluding mortgage, cash card, micro credit, and credit cards.

Note 7: For accounts receivable - factoring with no recourse, as required by the Banking Bureau letter dated July 19, 2005 (Ref. No. 0945000494), which is equal to dated August 24, 2009 (Ref. 09850003180), and allowance for bad debts is recognized once no compensation is made from factoring or insurance within three months.

Note 8: Part of non-performing receivables transferred from other than loans was included.

b) Excluded NPLs and excluded overdue receivables

Date	June 30, 2024		June 30, 2023	
	Excluded NPL	Excluded Overdue Receivables	Excluded NPL	Excluded Overdue Receivables
As a result of debt negotiation and loan agreement (Note 1)	\$ 166	\$ 7,847	\$ 250	\$ 13,310
As a result of consumer debt clearance (Note 2)	21,577	486,495	18,451	536,856
Total	\$ 21,743	\$ 494,342	\$ 18,701	\$ 550,166

Note 1: The disclosure of excluded NPLs and excluded overdue receivables resulting from debt negotiations and loan agreement is based on the Banking Bureau letter dated April 25, 2006 (Ref. No. 09510001270).

Note 2: The disclosure of excluded NPLs, pre-mediation and excluded overdue receivables resulting from consumer debt clearance is based on the Banking Bureau's letter dated September 15, 2008 (Ref. No. 09700318940) and September 20, 2016 (Ref. No. 10500134790).

c) Concentration of credit extensions

Year	June 30, 2024		
Rank (Note 1)	Industry Category (Note 2)	Total Credit Consists of Loans (Note 3)	Percentage of Net Worth (%)
1	A Group (manufacture of panel and components)	\$ 10,284,022	5.85
2	B Group (real estate development activities)	8,945,212	5.09
3	C Group (real estate development activities)	6,966,467	3.96
4	D Group (other holding companies)	5,790,779	3.29
5	E Group (real estate development activities)	5,482,390	3.12
6	F Group (department store)	5,079,193	2.89
7	G Group (other metalworking activities)	5,000,000	2.84
8	H Company (metal casting)	4,910,803	2.79
9	I Group (manufacture of computer, peripheral equipment and software wholesale activities)	4,593,719	2.61
10	J Company (real estate development activities)	3,673,400	2.09

Year	June 30, 2023		
Rank (Note 1)	Industry Category (Note 2)	Total Credit Consists of Loans (Note 3)	Percentage of Net Worth (%)
1	A Group (manufacture of panel and components)	\$ 9,474,111	5.91
2	B Group (real estate development activities)	7,308,994	4.56
3	C Group (real estate development activities)	6,237,360	3.89
4	D Group (metal casting)	5,941,844	3.71
5	E Group (real estate development activities)	5,457,000	3.40
6	F Group (manufacture of computers)	5,374,239	3.35
7	G Group (department store)	4,499,262	2.81
8	H Company (real estate development activities)	3,803,000	2.37
9	I Group (manufacture of computer, peripheral equipment and software wholesale activities)	3,252,005	2.03
10	J Company (other metalworking activities)	3,000,000	1.87

Note 1: Ranking of top 10 groups (excluding government or state - owned enterprises) whose total credit consists of loans. If the borrower is a member of any of the above groups, the total amount of credits of the entire group must be listed and disclosed by code and line of industry. If the borrower is the group enterprise, for the risk exposure maximum, the line of industry must be disclosed. The line of industry must be classified and filled to the industry name of sub-category which is based on the industry classification standard of Department of Budget, Accounting and Statistics.

Note 2: Groups were those as defined in Articles 6 of the Supplementary Provision to the Taiwan Stock Exchange Corporation's Rules for Review of Securities Listings Law.

Note 3: Total credit is the sum of all loans (including import and export bills 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 factored without recourse, acceptances receivable, and guarantee deposit issued.

#### d. Liquidity risk management

##### 1) Definition of liquidity risk

Liquidity is Bank SinoPac's ability to provide sufficient funding for asset growth and matured liabilities. Liquidity risk means the risk banks cannot obtain sufficient fund with reasonable cost and correct timing, and then suffer losses on earnings or capital.

The measures of enhancing cash liquidity are holding sufficient cash and highly liquid able securities, adjusting maturities differences, savings absorption or arranging borrowings, etc.

##### a) Strategies

Bank SinoPac established a sound liquidity risk managing system based on business' scale and characteristic, assets and liabilities' structure, funding strategies and diversity of funding sources to ensure it would have sufficient funding for obligations in normal or worst scenario.

##### b) Risk measurement

Bank SinoPac uses quantitative analysis to manage liquidity risk. Cash flow deficit and liquidity management goals are used as measure instruments to report monthly the analysis results to the assets and liabilities managing committee.

Stress testing is done to ensure Bank SinoPac would have sufficient funding for asset growth and matured liabilities despite any internal operating problems or adverse changes in the financial environment.

##### c) Risk monitoring

Bank SinoPac established a liquidity deficit limit and an early warning system to detect liquidity risk and take appropriate action at the right time.

Bank SinoPac has formed a crisis management team to handle any liquidity crisis. The general manager is the team convener, and the managers of the financial obligation department and the risk management department are the team members. The general manager can also assign the managers of related departments to join the team, depending on the situation. Members' rights and responsibilities are listed in "Bank SinoPac's Operational Crisis Response Measures".

## 2) Maturity analysis of non-derivative financial liabilities

Cash outflow analyses of non-derivative financial liabilities of Bank SinoPac and Bank SinoPac (China) are summarized in the following tables. The amounts are provided on a contract cash flow basis so some of the amounts will not match the amounts in the consolidated balance sheets.

### Bank SinoPac

<b>June 30, 2024</b>	<b>0-30 Days</b>	<b>31-90 Days</b>	<b>91-180 Days</b>	<b>181 Days to 1 Year</b>	<b>Over 1 Year</b>	<b>Total</b>
Deposits from the Central Bank and banks	\$ 31,186,847	\$ 28,643,839	\$ 13,862,121	\$ 3,912,642	\$ -	\$ 77,605,449
Financial liabilities at fair value through profit or loss	-	-	-	2,077,589	-	2,077,589
Securities sold under repurchase agreements	35,511,663	6,079,771	1,484,148	-	-	43,075,582
Payables	15,527,367	560,102	102,341	3,157,735	2,067,124	21,414,669
Deposits and remittances	1,349,237,889	285,716,155	204,756,503	242,914,175	24,278,750	2,106,903,472
Bank debentures	61,711	144,861	857,256	964,374	53,501,477	55,529,679
Lease liabilities	60,730	106,238	163,822	315,816	2,435,384	3,081,990

<b>December 31, 2023</b>	<b>0-30 Days</b>	<b>31-90 Days</b>	<b>91-180 Days</b>	<b>181 Days to 1 Year</b>	<b>Over 1 Year</b>	<b>Total</b>
Deposits from the Central Bank and banks	\$ 64,927,102	\$ 30,400,700	\$ 5,138,825	\$ 11,652,263	\$ -	\$ 112,118,890
Financial liabilities at fair value through profit or loss	-	-	1,883,244	-	-	1,883,244
Securities sold under repurchase agreements	17,235,916	7,105,226	603,473	-	-	24,944,615
Payables	10,568,404	603,949	156,884	121,322	2,034,122	13,484,681
Deposits and remittances	1,220,403,012	302,515,304	203,595,943	233,495,447	27,078,825	1,987,088,531
Bank debentures	69,797	274,511	3,182,649	7,764,855	47,965,851	59,257,663
Lease liabilities	70,669	106,600	168,496	272,330	2,082,070	2,700,165

<b>June 30, 2023</b>	<b>0-30 Days</b>	<b>31-90 Days</b>	<b>91-180 Days</b>	<b>181 Days to 1 Year</b>	<b>Over 1 Year</b>	<b>Total</b>
Deposits from the Central Bank and banks	\$ 23,134,104	\$ 19,826,397	\$ 14,233,149	\$ 19,140,723	\$ -	\$ 76,334,373
Financial liabilities at fair value through profit or loss	-	-	-	1,907,750	-	1,907,750
Securities sold under repurchase agreements	14,064,682	6,778,241	2,331,058	313,221	-	23,487,202
Payables	4,512,832	621,256	85,501	2,404,900	2,021,706	9,646,195
Deposits and remittances	1,256,590,004	301,247,027	164,169,074	232,918,441	27,936,777	1,982,861,323
Bank debentures	-	126,101	1,606,289	3,713,184	53,491,587	58,937,161
Lease liabilities	60,047	104,565	168,271	333,798	2,179,222	2,845,903

### Bank SinoPac (China)

(In Thousands of CNY)

<b>June 30, 2024</b>	<b>Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>Over 5 Years</b>	<b>Total</b>
Deposits from the Central Bank and banks	\$ 353	\$ -	\$ -	\$ -	\$ -	\$ 353
Due to the Central Bank and banks	-	-	-	755,826	-	755,826
Payables	1,076,498	205,689	515,462	-	-	1,797,649
Deposits and remittances	4,662,558	2,075,289	3,591,808	2,235,458	1,224	12,566,337
Lease liabilities	1,373	2,592	9,649	18,468	-	32,082

(In Thousands of CNY)

<b>December 31, 2023</b>	<b>Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>Over 5 Years</b>	<b>Total</b>
Deposits from the Central Bank and banks	\$ 599,709	\$ 620,057	\$ -	\$ -	\$ -	\$ 1,219,766
Due to the Central Bank and banks	-	-	-	756,408	-	756,408
Securities sold under repurchase agreements	330,363	-	-	-	-	330,363
Payables	522,585	202,728	525,360	-	-	1,250,673
Deposits and remittances	5,489,746	2,357,443	2,573,302	1,301,520	236	11,722,247
Lease liabilities	1,240	2,304	8,343	17,116	-	29,003

(In Thousands of CNY)

<b>June 30, 2023</b>	<b>Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>Over 5 Years</b>	<b>Total</b>
Deposits from the Central Bank and banks	\$ 461,797	\$ 607,230	\$ 147,086	\$ 763,474	\$ -	\$ 1,979,587
Securities sold under repurchase agreements	195,060	-	-	-	-	195,060
Payables	1,158,639	210,784	504,698	-	-	1,874,121
Deposits and remittances	3,677,660	3,461,016	2,351,328	678,880	-	10,168,884
Lease liabilities	1,554	2,936	6,513	12,476	-	23,479

### 3) Maturity analysis of financial derivatives

#### a) Derivative liabilities settled on a net basis

Derivative liabilities of Bank SinoPac and Bank SinoPac (China) settled on a net basis include, but are not limited to:

Foreign exchange derivatives: Non-deliverable foreign exchange forwards, net cash flow settled foreign exchange options, etc.;

Interest rate derivatives: Forward rate agreements, interest rate swaps and interest rate futures contracts;

Other derivatives: Stock options and commodity futures.

Bank SinoPac and Bank SinoPac (China) use derivative financial liabilities at fair value through profit or loss mainly to accommodate customers' needs and manage their own exposure positions, and disclosed the derivative financial liabilities at fair value based on the shortest period that payment would be required.

#### Bank SinoPac

<b>June 30, 2024</b>	<b>0-30 Days</b>	<b>31-90 Days</b>	<b>91-180 Days</b>	<b>181 Days to 1 Year</b>	<b>Over 1 Year</b>	<b>Total</b>
Financial liabilities at fair value through profit or loss	\$ 10,387,878	\$ -	\$ -	\$ -	\$ -	\$ 10,387,878

<b>December 31, 2023</b>	<b>0-30 Days</b>	<b>31-90 Days</b>	<b>91-180 Days</b>	<b>181 Days to 1 Year</b>	<b>Over 1 Year</b>	<b>Total</b>
Financial liabilities at fair value through profit or loss	\$ 7,361,043	\$ -	\$ -	\$ -	\$ -	\$ 7,361,043

<b>June 30, 2023</b>	<b>0-30 Days</b>	<b>31-90 Days</b>	<b>91-180 Days</b>	<b>181 Days to 1 Year</b>	<b>Over 1 Year</b>	<b>Total</b>
Financial liabilities at fair value through profit or loss	\$ 8,133,092	\$ -	\$ -	\$ -	\$ -	\$ 8,133,092

#### Bank SinoPac (China)

(In Thousands of CNY)

<b>June 30, 2024</b>	<b>Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>Over 5 Years</b>	<b>Total</b>
Financial liabilities at fair value through profit or loss	\$ 9,764	\$ -	\$ -	\$ -	\$ -	\$ 9,764

(In Thousands of CNY)

<b>December 31, 2023</b>	<b>Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>Over 5 Years</b>	<b>Total</b>
Financial liabilities at fair value through profit or loss	\$ 11,516	\$ -	\$ -	\$ -	\$ -	\$ 11,516

(In Thousands of CNY)

<b>June 30, 2023</b>	<b>Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>Over 5 Years</b>	<b>Total</b>
Financial liabilities at fair value through profit or loss	\$ 21,403	\$ -	\$ -	\$ -	\$ -	\$ 21,403

b) Derivatives settled on a gross basis

Gross settled derivatives of Bank SinoPac and Bank SinoPac (China) include:

Foreign exchange derivatives: Foreign exchange forwards, foreign exchange swaps, cross currency swaps and gross settled foreign exchange options.

Among which, foreign exchange forwards, foreign exchange swaps, and cross currency swaps are organized into the corresponding time periods based on the cash flow indicated on the contracts, and therefore the amount disclosed will not correspond to the relevant items in the consolidated balance sheet; the gross settled foreign exchange options, as a position reserved for the purpose of transaction, Bank SinoPac and Bank SinoPac (China) are able to adjust the position at any time, and therefore the cash inflow and outflow of such are expressed at their fair values, and they are placed in the most recent time period alongside the derivative liabilities settled on a net basis.

**Bank SinoPac**

<b>June 30, 2024</b>	<b>0-30 Days</b>	<b>31-90 Days</b>	<b>91-180 Days</b>	<b>181 Days to 1 Year</b>	<b>Over 1 Year</b>	<b>Total</b>
Financial instruments at fair value through profit or loss						
Foreign exchange derivatives						
Cash inflow	\$ 1,767,708,174	\$ 1,246,886,099	\$ 449,756,607	\$ 421,843,749	\$ 27,549,440	\$ 3,913,744,069
Cash outflow	1,766,139,848	1,245,892,946	448,032,422	420,005,716	26,656,503	3,906,727,435

<b>December 31, 2023</b>	<b>0-30 Days</b>	<b>31-90 Days</b>	<b>91-180 Days</b>	<b>181 Days to 1 Year</b>	<b>Over 1 Year</b>	<b>Total</b>
Financial instruments at fair value through profit or loss						
Foreign exchange derivatives						
Cash inflow	\$ 1,225,738,415	\$ 989,228,145	\$ 539,644,265	\$ 198,861,831	\$ 20,309,084	\$ 2,973,781,740
Cash outflow	1,227,556,706	989,295,077	540,004,847	198,672,968	19,705,830	2,975,235,428

<b>June 30, 2023</b>	<b>0-30 Days</b>	<b>31-90 Days</b>	<b>91-180 Days</b>	<b>181 Days to 1 Year</b>	<b>Over 1 Year</b>	<b>Total</b>
Financial instruments at fair value through profit or loss						
Foreign exchange derivatives						
Cash inflow	\$ 927,827,477	\$ 862,476,969	\$ 404,258,400	\$ 182,382,259	\$ 6,410,681	\$ 2,383,355,786
Cash outflow	926,922,727	861,135,055	403,340,880	181,283,626	6,123,809	2,378,806,097

**Bank SinoPac (China)**

(In Thousands of CNY)

<b>June 30, 2024</b>	<b>Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>Over 5 Years</b>	<b>Total</b>
Financial instruments at fair value through profit or loss						
Foreign exchange derivatives						
Cash inflow	\$ 8,657,225	\$ 6,022,094	\$ 24,734,056	\$ 96,023	\$ -	\$ 39,509,398
Cash outflow	8,632,324	6,029,268	24,671,679	95,221	-	39,428,492

(In Thousands of CNY)

<b>December 31, 2023</b>	<b>Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>Over 5 Years</b>	<b>Total</b>
Financial instruments at fair value through profit or loss						
Foreign exchange derivatives						
Cash inflow	\$ 3,917,717	\$ 5,367,683	\$ 14,910,665	\$ 85,552	\$ -	\$ 24,281,617
Cash outflow	3,924,909	5,292,282	14,731,253	85,842	-	24,034,286

(In Thousands of CNY)

<b>June 30, 2023</b>	<b>Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>Over 5 Years</b>	<b>Total</b>
Financial instruments at fair value through profit or loss						
Foreign exchange derivatives						
Cash inflow	\$ 3,333,046	\$ 4,642,496	\$ 8,713,026	\$ 272,493	\$ -	\$ 16,961,061
Cash outflow	3,275,334	4,539,826	8,648,229	275,290	-	16,738,679



4) Maturity analysis of off-balance sheet items

Maturity analysis of off-balance sheet items are summarized in the following tables. Financial guarantee contracts of Bank SinoPac and Bank SinoPac (China) that assume full amount are available or require to execute at the earliest time. The amounts are provided on a contract cash flow basis so some of the amounts will not match the amounts in the consolidated balance sheets.

Bank SinoPac

June 30, 2024	0-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year	Total
Undrawn loan commitments	\$ 637,304	\$ 5,800,157	\$ 2,968,610	\$ 9,087,482	\$ 49,319,742	\$ 67,813,295
Guarantees	6,573,431	2,930,825	2,929,913	5,586,904	12,050,853	30,071,926
Standby letter of credit	1,284,379	1,996,685	329,699	22,780	-	3,633,543

December 31, 2023	0-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year	Total
Undrawn loan commitments	\$ 806,085	\$ 1,673,934	\$ 5,877,280	\$ 5,284,404	\$ 34,100,740	\$ 47,742,443
Guarantees	7,638,355	3,546,302	3,198,648	4,063,994	11,267,072	29,714,371
Standby letter of credit	828,564	2,086,851	527,861	216,090	-	3,659,366

June 30, 2023	0-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year	Total
Undrawn loan commitments	\$ 281,732	\$ 5,690,649	\$ 5,388,129	\$ 8,054,243	\$ 29,509,714	\$ 48,924,467
Guarantees	7,380,211	5,438,061	5,221,620	5,292,546	10,757,986	34,090,424
Standby letter of credit	1,676,293	3,270,269	969,380	483,993	-	6,399,935

Bank SinoPac (China)

(In Thousands of CNY)

June 30, 2024	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years	Total
Undrawn loans commitments	\$ -	\$ 85,061	\$ 13,906	\$ 44,292	\$ -	\$ 143,259
Guarantees	55,545	109,064	266,265	34,815	-	465,689
Standby letter of credit	11,994	87,311	28,810	-	-	128,115

(In Thousands of CNY)

December 31, 2023	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years	Total
Undrawn loans commitments	\$ -	\$ 200	\$ 74,488	\$ 72,027	\$ -	\$ 146,715
Guarantees	7,335	70,908	478,532	79,928	-	636,703
Standby letter of credit	7,851	50,869	22,942	-	-	81,662

(In Thousands of CNY)

June 30, 2023	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years	Total
Undrawn loans commitments	\$ -	\$ 3,774	\$ 86,404	\$ 978	\$ -	\$ 91,156
Guarantees	118,570	77,527	342,662	93,122	-	631,881
Standby letter of credit	73,247	25,519	-	-	-	98,766

5) Disclosures prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Public Banks

a) Maturity analysis of assets and liabilities of Bank SinoPac (New Taiwan dollars)

	June 30, 2024						
	Total	0-10 Days	11-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year
Main capital inflow on maturity	\$ 2,216,457,128	\$ 199,746,093	\$ 293,047,467	\$ 306,470,150	\$ 149,059,578	\$ 184,635,558	\$ 1,083,498,282
Main capital outflow on maturity	2,596,505,110	132,568,137	192,996,652	411,937,992	358,350,275	484,939,063	1,015,712,991
Gap	(380,047,982)	67,177,956	100,050,815	(105,467,842)	(209,290,697)	(300,303,505)	67,785,291

	June 30, 2023						
	Total	0-10 Days	11-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year
Main capital inflow on maturity	\$ 2,126,869,723	\$ 209,364,202	\$ 239,713,779	\$ 367,513,817	\$ 175,836,191	\$ 154,520,409	\$ 979,921,325
Main capital outflow on maturity	2,501,656,105	113,909,600	193,632,724	461,519,352	347,993,703	495,142,555	889,458,171
Gap	(374,786,382)	95,454,602	46,081,055	(94,005,535)	(172,157,512)	(340,622,146)	90,463,154

Note: The amounts shown in this table are Bank SinoPac's position denominated in NTD.

b) Maturity analysis of assets and liabilities of Bank SinoPac (U.S. dollars)

(In Thousands of U.S. Dollars)

	June 30, 2024					
	Total	0-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year
Main capital inflow on maturity	\$ 80,767,725	\$ 32,217,135	\$ 21,819,247	\$ 8,728,950	\$ 8,036,360	\$ 9,966,033
Main capital outflow on maturity	82,255,874	32,837,095	25,678,847	10,314,076	8,707,640	4,718,216
Gap	(1,488,149)	(619,960)	(3,859,600)	(1,585,126)	(671,280)	5,247,817

(In Thousands of U.S. Dollars)

	June 30, 2023					
	Total	0-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year
Main capital inflow on maturity	\$ 59,372,204	\$ 20,703,878	\$ 17,454,794	\$ 7,688,408	\$ 4,394,442	\$ 9,130,682
Main capital outflow on maturity	60,694,454	21,975,509	20,563,443	9,601,068	4,782,618	3,771,816
Gap	(1,322,250)	(1,271,631)	(3,108,649)	(1,912,660)	(388,176)	5,358,866

Note: The amounts shown in this table are Bank SinoPac's position denominated in USD.

e. Market risk

1) Definition of market risk

Market risk arises from market changes (such as those referring to interest rates, exchange rates, equity securities and commodity prices) which may cause the fluctuation of a financial instrument's fair value or future cash flow. Bank SinoPac's net revenue and investment portfolio value may fluctuate when risk factors above change.

The main market risks that Bank SinoPac should overcome pertain to interest rate, exchange rate and equity securities. Interest rate risks primarily refer to bonds and interest rate related derivative instruments such as fixed rate and floating rate interest rate swaps and bond options; the exchange rate risk refers to foreign currency investments Bank SinoPac holds such as exchange rate related derivative instruments and foreign currency bonds; equity securities risk includes listed stocks and equity related derivative financial instruments.

## 2) Management strategies and procedures

To follow the “Market Risk Management Rule” and other regulations, Bank SinoPac established standards for risk identification, measurement, supervision and reporting to set up appropriate risk management framework for every kind of market risk.

In accordance with the risk management limit approved by the board of directors, Bank SinoPac supervises every loss limit and position at risk such as interest rate, exchange rate, equity security, spot trading and forward contracts, option, future, swap, and related sensitivity information derived from spot trading to confirm that market risk exposure is accepted to Bank SinoPac.

Bank SinoPac separates its transactions into hedge and non-hedge on the basis of trading purposes. For hedge transactions, Bank SinoPac should measure hedge relations, risk management goals and hedge strategies. Bank SinoPac should also perform hedge testing for hedging effectiveness.

## 3) Organization and framework

The board of directors is the top supervision and decision-making level of Bank SinoPac; it determines every risk management procedure and limit on the basis of its operating strategy and the business environment.

Bank SinoPac also set up a risk management department headed by a general manager to establish risk managing principles, regulate risk managing policies, and plan and set up a risk management system.

Following the internal control and segregation of duties principles, Bank SinoPac had certain related functions with market risk exposures transformed into three independent departments: Trading, risk control and settlement departments, usually called front office, middle office and back office. Nevertheless, the risk management department remains in charge of market risk control, i.e., it is responsible for identifying, measuring, controlling and reporting market risk.

## 4) Market risk control procedure

### a) Identification and measurement

Risk measurement includes exposures changes in the market of interest rates, exchange rates, and equity securities, which affect spot trading and forward, option, futures, and swap transactions or related combined transactions derived from spot trading. Bank SinoPac set up appropriate market risk limits based on commodity category, characteristic and complexity. The limits are the nominal exposure limit, the risk factor sensitivity limit of options as measured by Delta/Vega/DV01 and the loss control limit. These limits are calculated by the risk control department through measurements (such as those of the Black & Scholes Model) provided by financial data and company information providers (e.g., Murex and Bloomberg) based on market prices.

### b) Supervision and reporting

Bank SinoPac’s market risk management department prepares risk management reports such as those on daily market valuations, value at risk and risk limits. If the risk is over the limit, the department should report this situation to the transaction department and appropriate managers in the risk management department. The department should also collect and organize bank market risk exposure information, risk value, risk limit rules, and information on situations in which limits are exceeded, analyze security investments, and submit regularly to the board of directors reports on the collected information and security investment analysis.

## 5) Trading book risk management policies

### a) Definitions

The trading book is an accounting book of the financial instruments and physical commodities held for trading or hedged by Bank SinoPac. Held-for-trading position refers to revenues earned from practical or impractical trading differences. Positions that should not be recorded in the trading book are recorded in the banking book.

### b) Strategies

Bank SinoPac earns revenues from trading spreads or fixed arbitrage debt and equity instruments are held for short periods of time, purchased with the intention of profiting from short-term price changes through properly control short-term fluctuation of market risk factors (interest rate, exchange rate and stock price). It executes hedge transactions as needed.

### c) Policies and procedures

Bank SinoPac carries out “Market Risk Management Policy” to control market risk.

Under the above policy, traders may autonomously operate and manage positions within the range of authorized limits and the approved trading strategy. The market risk management department supervises trading positions (including limit, liquidity, the ability to establish hedge positions and investment portfolio risk) based on market information and evaluates market information quality, availability, liquidity and scale which are calculated into the pricing model.

### d) Assessment policies

Bank SinoPac assesses financial instruments once a day on the basis of information obtained from independent sources if market prices are acquirable. If Bank SinoPac assesses financial instruments using a pricing model, it should be careful in making mathematical calculations and should review the pricing model’s assumptions and parameters regularly.

### e) Measurements

- i. The risk valuation and calculation methods are described in Note 49, e, 12).
- ii. The calculation of the nominal exposure amount and the risk factor sensitivity value Delta/Vega/DV01 is done through the trading systems.
- iii. Bank SinoPac makes stress tests using a light scenario (change in interest rate  $\pm 100$  bp, change in securities  $\pm 15\%$  and change in exchange rate  $\pm 3\%$ ) and serious scenario (change in interest rate  $\pm 200$  bp, change in securities  $\pm 30\%$  and change in exchange rate  $\pm 6\%$ ) and reports the stress test results to the board of directors.

## 6) Trading book interest rate risk management

### a) Definitions

Interest rate risk refers to a decrease in earnings and value of financial instruments due to adverse interest rate fluctuations. Major instruments with interest rate risk include securities and derivative instruments.

b) Procedures

Bank SinoPac has a trading limit and a stop-loss limit (which should be applied to trading instrument by the dealing room and dealers) based on management strategy and market conditions; limits have been approved by the board of directors.

c) Measurements

- i. The risk valuation assumptions and calculation methods are described in Note 49, e, 12).
- ii. DV01 is used daily to measure the impact of interest rate changes on investment portfolios.

7) Trading book exchange rate risk management

a) Definitions

Exchange rate risk refers to the incurrence of loss from the exchange of currencies in different timing. Bank SinoPac's major financial instruments exposed to exchange rate risk spot contract, forward exchange contracts, and FX option.

b) Policies and procedures

To control the exchange rate risk, Bank SinoPac sets trading limit and stop-loss limit and requires the dealing room, dealers, etc., to observe these limits.

c) Measurements

- i. The risk valuation assumptions and calculation methods are described in Note 49, e, 12).
- ii. Exposure positions are measured daily for the impact of exchange rate changes on investment portfolio value.

8) Trading book equity risk management

a) Definitions

Market risk of equity securities includes individual risk which arises from volatility of market price on individual equity securities and general market risk which arises from volatility of overall market price.

b) Procedures

To control equity risk, Bank SinoPac sets investment position limits and stop-loss limits. The limits are approved by the board of directors. Within the limit of authority, Bank SinoPac sets investment position limits and stop-loss limits for each dealer.

c) Measurements

- i. The risk valuation assumptions and calculation methods are described in Note 49, e, 12).
- ii. Exposure positions are measured daily to measure the impact of equity risk on investment portfolio value due from equity risk.

## 9) Banking book interest rate risk management

Banking book interest rate risk refers to the impact of the banking book due to adverse interest rate changes and causes the current or potential risks to Bank SinoPac's economic value (the present value of future cash flows from assets, liabilities and off-balance sheet) and earnings.

Through managing the banking book interest rate risk, Bank SinoPac can measure and manage the risk to earnings and financial position caused by interest rate unfavorable fluctuations.

### a) Strategies

To reduce the negative effect of interest rate changes on net interest revenue and economic value, Bank SinoPac adjusts positions within certain limits for better performance. It reviews the interest rate sensitivity regularly to create maximum profit and manage interest rate risk.

### b) Risk measurement

Risk measurement refers to the banking book interest rate risk of assets, liabilities, and off-balance-sheet positions. Bank SinoPac periodically reports interest rate sensitivity positions and measures the impact of interest rate fluctuations on interest rate-sensitive assets and the impact of net interest revenue and economic value.

### c) Risk monitoring

The asset and liability management committee examines and monitors exposure to interest rate risk on the basis of the measurement provided by the risk management sector.

If the banking book risk exposure condition exceeds the limit or target value, the risk management sector should investigate how this condition arose and notify the executive division by petition accordingly. The executive division coordinates with relevant divisions to formulate the plan and submit to president for approval then submit the plan to the asset and liability management committee after implementation.

## 10) Banking book equity risk management

Banking book equity risk refers to the decrease in the value of the held equity due to unfavorable effects of certain situations. Bank SinoPac established control policies related to equity instruments to make the risk within controllable range.

### a) Strategies

Bank SinoPac has established comprehensive investment decision procedures, risk control measures, principles of disposal, and regular assessment of investment situation in order to raise the benefits of long-term fund management, reach the balance of profit and risk, and pursue the long-term stable investment performance.

### b) Risk measurement

Bank SinoPac has set up criteria for equity securities to be selected for investment, such as time horizons, investment upper limits and credit ratings to control the risks of equity securities.

### c) Risk monitoring

i. Bank SinoPac holding an investment with specific amount of valuation loss should submit the description of the situation and the suggested plan for action, and continue the monitoring of the case.

- ii. Bank SinoPac regularly assesses the risk of the investment target, checks the extent of the concentration in industries and reports the overview of the investment portfolio to the committee on the management of assets and liabilities.

#### 11) Impact of interest rate benchmark reform

The financial instruments of Bank SinoPac affected by interest rate benchmark reform include credit, bonds and derivatives financial assets. The type of interest rate benchmark linked to the financial instruments is mainly the London InterBank Offered Rate (LIBOR). LIBOR is a forward-looking interest rate benchmark that implies market expectations for future interest rate trend, and includes inter-bank credit discounts. The alternative reference rate of LIBOR (such as US Secured Overnight Finance Rate, SOFR) is a retrospective interest rate benchmark with actual transaction data and does not include credit discounts. Therefore, additional adjustments must be made when existing contracts are modified from LIBOR to alternative interest rate indicator to ensure that the interest rate before and after modification is economically equivalent.

Bank SinoPac has formulated a LIBOR conversion plan to deal with product business strategy adjustments, information system updates, financial instrument evaluation model adjustments, and related accounting or tax issues required to meet the reform of the interest rate benchmark. As of June 30, 2024, Bank SinoPac has identified all information systems and internal processes that need to be updated and has finished the updating, and has discussed with the financial instrument counterparty how to amend the affected contract. Currently, only three bonds are subject to Synthetic LIBOR, with a maturity date no later than October 9, 2024. The Synthetic LIBOR quotations will still be available for the final interest rate pricing, and there is no need for further negotiation on conversion terms.

Interest rate benchmark reform mainly exposes Bank SinoPac to basic interest rate risk. If Bank SinoPac is unable to complete contract modification with the counterparty before the decommissioning of LIBOR, the financial instrument will cause significant uncertainty to the interest rate basis and that will trigger unexpected interest rate risk exposure. In addition, if the financial instrument for hedging purpose and the related financial instrument to be hedged are not converted to alternative interest rate benchmark at the same time, it may lead to the ineffective hedge.

As of June 30, 2024, the financial instruments of Bank SinoPac and its subsidiaries that have been affected by interest rate benchmark reform and have not yet been converted to alternative interest rate benchmark are summarized as follows:

Non-derivatives	Book Value	
	Financial Assets	Financial Liabilities
USD LIBOR	\$ 3,063,372	\$ -
EUR LIBOR	-	-
GBP LIBOR	-	-
JPY LIBOR	-	-
CHF LIBOR	-	-
Total	\$ 3,063,372	\$ -

<b>Derivatives</b>	<b>Notional Amount</b>
USD LIBOR	\$ -
EUR LIBOR	-
GBP LIBOR	-
JPY LIBOR	-
CHF LIBOR	-
Total	\$ -

## 12) Market risk measurement technique

### Value at Risk (VaR)

Bank SinoPac uses the Risk Manager system and stress testing to measure its investment portfolio risk and uses several hypotheses about market conditions to measure market risk and expected maximum loss of holding positions. Bank SinoPac's board of directors has set a VaR limit. The VaR is controlled daily by the market risk management sector and is a widely used risk measure of the risk of loss on a specific portfolio of financial assets.

VaR is the statistical estimate of the potential loss of holding positions due to unfavorable market conditions. For Bank SinoPac, VaR refers to a fall in value of its holding position in a day, with a 99% confidence level. Bank SinoPac uses VaR and the Monte Carlo simulation method to derive quantitative measures for the market risks of the holding positions under normal conditions. The calculated result is used to test and monitor the validity of parameters and hypotheses periodically. However, the use of the VaR cannot prevent loss caused by huge unfavorable changes in market conditions.

Bank SinoPac considers the expected maximum loss, target profit, and operating strategy in setting the VaR, which is proposed by the market risk management sector and approved by the board of directors.

### Bank SinoPac's trading book VaR overview

	<b>For the Six Months Ended June 30, 2024</b>		
	<b>Average</b>	<b>Maximum</b>	<b>Minimum</b>
Exchange rate risk	23,032	41,984	13,176
Interest rate risk	49,351	89,837	32,745
Equity risk	8,890	18,341	2,774
Total VaR	59,353	100,373	42,262

Note 1: Estimated VaR: Time frame = 1 day, confidence level = 99%, decay factor = 0.94.

Note 2: Historical data period: 2024.01.02-2024.06.28.

	<b>For the Six Months Ended June 30, 2023</b>		
	<b>Average</b>	<b>Maximum</b>	<b>Minimum</b>
Exchange rate risk	25,925	50,007	11,551
Interest rate risk	44,773	79,439	26,765
Equity risk	7,826	12,376	3,316
Total VaR	51,539	94,964	30,459

Note 1: Estimated VaR: Time frame = 1 day, confidence level = 99%, decay factor = 0.94.

Note 2: Historical data period: 2023.01.03-2023.06.30.



Bank SinoPac (China)'s trading book VaR overview

(In Thousands of CNY)

	For the Six Months Ended June 30, 2024		
	Average	Maximum	Minimum
Exchange rate risk	522	804	171
Interest rate risk	216	768	30
Equity risk	-	-	-
Total VaR	389	839	150

Note 1: Estimated VaR: Time frame = 1 day, confidence level = 99%, decay factor = 0.94.

Note 2: Historical data period: 2024.01.01-2024.06.30.

(In Thousands of CNY)

	For the Six Months Ended June 30, 2023		
	Average	Maximum	Minimum
Exchange rate risk	564	1,207	182
Interest rate risk	127	500	10
Equity risk	-	-	-
Total VaR	551	1,163	218

Note 1: Estimated VaR: Time frame = 1 day, confidence level = 99%, decay factor = 0.94.

Note 2: Historical data period: 2023.01.01-2023.06.30.

13) Exchange rate risks

Exchange rate risks of holding net positions in foreign currencies are shown as below:

	June 30, 2024		
	Foreign Currency (In Thousands)	Exchange Rate	Converted to NTD
<u>Financial assets</u>			
Monetary items			
USD	\$ 15,920,095	32.46510	\$ 516,847,476
CNY	16,566,117	4.44467	73,630,923
AUD	4,956,070	21.53043	106,706,318
Nonmonetary items			
USD	47,311	32.46510	1,535,956
CNY	2,385,942	4.44467	10,604,725
<u>Financial liabilities</u>			
Monetary items			
USD	23,697,787	32.46510	769,351,025
CNY	15,181,687	4.44467	67,477,589
AUD	751,806	21.53043	16,186,706

	<b>December 31, 2023</b>		
	<b>Foreign Currency (In Thousands)</b>	<b>Exchange Rate</b>	<b>Converted to NTD</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 15,826,009	30.75248	\$ 486,689,025
CNY	19,369,398	4.33086	83,886,151
AUD	3,735,340	21.00815	78,472,583
Nonmonetary items			
USD	58,561	30.75248	1,800,896
CNY	2,324,328	4.33086	10,066,341
<u>Financial liabilities</u>			
Monetary items			
USD	24,278,169	30.75248	746,613,907
CNY	17,991,552	4.33086	77,918,893
AUD	763,651	21.00815	16,042,895

	<b>June 30, 2023</b>		
	<b>Foreign Currency (In Thousands)</b>	<b>Exchange Rate</b>	<b>Converted to NTD</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 16,831,865	31.15265	\$ 524,357,199
CNY	19,353,325	4.28345	82,899,000
AUD	3,519,937	20.63223	72,624,150
Nonmonetary items			
USD	94,261	31.15265	2,936,480
CNY	2,317,181	4.28345	9,925,530
<u>Financial liabilities</u>			
Monetary items			
USD	22,612,102	31.15265	704,426,899
CNY	19,117,586	4.28345	81,889,224
AUD	1,043,473	20.63223	21,529,175

14) Compliance with the Regulations Governing the Preparation of Financial Reports by Public Banks

a) Interest rate sensitivity information (New Taiwan dollars)

June 30, 2024

Items	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest rate-sensitive assets	\$ 1,417,103,994	\$ 41,976,881	\$ 106,227,884	\$ 131,531,722	\$ 1,696,840,481
Interest rate-sensitive liabilities	444,204,484	872,622,085	66,528,539	68,843,711	1,452,198,819
Interest rate-sensitive gap	972,899,510	(830,645,204)	39,699,345	62,688,011	244,641,662
Net worth					182,336,834
Ratio of interest rate-sensitive assets to liabilities (%)					116.85%
Ratio of interest rate-sensitive gap to net worth (%)					134.17%

**June 30, 2023**

Items	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest rate-sensitive assets	\$ 1,284,635,692	\$ 39,231,855	\$ 111,624,648	\$ 121,719,731	\$ 1,557,211,926
Interest rate-sensitive liabilities	446,637,937	819,832,900	50,758,775	64,442,327	1,381,671,939
Interest rate-sensitive gap	837,997,755	(780,601,045)	60,865,873	57,277,404	175,539,987
Net worth					169,047,992
Ratio of interest rate-sensitive assets to liabilities (%)					112.70%
Ratio of interest rate-sensitive gap to net worth (%)					103.84%

Note 1: The above amounts include only New Taiwan dollars held by Bank SinoPac and exclude contingent assets and contingent liabilities.

Note 2: Interest rate-sensitive assets and liabilities mean the revenues or costs of interest-earning assets and interest-bearing liabilities are affected by interest rate changes.

Note 3: Interest rate-sensitive 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 (in New Taiwan dollars).

b) Interest rate sensitivity information (U.S. dollars)

**June 30, 2024**

(In Thousands of U.S. Dollars)

Items	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest rate-sensitive assets	\$ 8,435,805	\$ 966,371	\$ 342,052	\$ 4,712,136	\$ 14,456,364
Interest rate-sensitive liabilities	10,953,452	8,693,408	791,521	829,853	21,268,234
Interest rate-sensitive gap	(2,517,647)	(7,727,037)	(449,469)	3,882,283	(6,811,870)
Net worth					(149,520)
Ratio of interest rate-sensitive assets to liabilities (%)					67.97%
Ratio of interest rate-sensitive gap to net worth (%)					4,555.83%

**June 30, 2023**

(In Thousands of U.S. Dollars)

Items	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest rate-sensitive assets	\$ 10,305,929	\$ 429,062	\$ 219,503	\$ 4,265,124	\$ 15,219,618
Interest rate-sensitive liabilities	11,427,682	6,733,965	1,152,668	719,781	20,034,096
Interest rate-sensitive gap	(1,121,753)	(6,304,903)	(933,165)	3,545,343	(4,814,478)
Net worth					(210,637)
Ratio of interest rate-sensitive assets to liabilities (%)					75.97%
Ratio of interest rate-sensitive gap to net worth (%)					2,285.68%

Note 1: The above amounts include only USD held by Bank SinoPac and exclude contingent assets and contingent liabilities.

Note 2: Interest rate-sensitive assets and liabilities mean the revenues or costs of interest-earning assets and interest-bearing liabilities are affected by interest-rate changes.

Note 3: Interest rate-sensitive 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 (in USD).

15) Transfers of financial assets

The transferred financial assets of Bank SinoPac and its subsidiaries that do not qualify for derecognition in the daily operation are mainly securities sold under repurchase agreements. The transaction transfers the contractual rights to receive the cash flows of the financial assets, but Bank SinoPac and its subsidiaries retains the liabilities to repurchase the transferred financial assets at fixed price in the future period. Bank SinoPac and its subsidiaries cannot use, sell, or pledge such transferred financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and investments in debt instruments at amortized cost within the validity period of the transaction. However, Bank SinoPac and its subsidiaries still bear the interest rate risk and credit risk thus, Bank SinoPac and its subsidiaries do not derecognize it. The analysis of financial assets and related liabilities that did not completely meet the derecognizing condition is shown in the following table:

Category of Financial Asset	June 30, 2024				
	Transferred Financial Assets - Book Value	Related Financial Liabilities - Book Value	Transferred Financial Assets - Fair Value	Related Financial Liabilities - Fair Value	Net Position - Fair Value
Financial assets at fair value through profit or loss Transactions under repurchase agreements	\$ 1,379,049	\$ 1,364,237	\$ 1,379,049	\$ 1,364,237	\$ 14,812
Financial assets at fair value through other comprehensive income Transactions under repurchase agreements	10,638,218	9,461,879	10,638,218	9,461,879	1,176,339
Investments in debt instruments at amortized cost Transactions under repurchase agreements	5,408,541	4,033,924	4,849,355	4,033,924	815,431
Securities purchased under resell agreements Transactions under repurchase agreements	26,719,961	27,955,426	26,719,961	27,955,426	(1,235,465)

Category of Financial Asset	December 31, 2023				
	Transferred Financial Assets - Book Value	Related Financial Liabilities - Book Value	Transferred Financial Assets - Fair Value	Related Financial Liabilities - Fair Value	Net Position - Fair Value
Financial assets at fair value through other comprehensive income Transactions under repurchase agreements	\$ 2,146,223	\$ 1,991,570	\$ 2,146,223	\$ 1,991,570	\$ 154,653
Investments in debt instruments at amortized cost Transactions under repurchase agreements	1,001,154	957,633	1,000,611	957,633	42,978
Securities purchased under resell agreements Transactions under repurchase agreements	20,727,388	21,795,201	20,727,388	21,795,201	(1,067,813)

Category of Financial Asset	June 30, 2023				
	Transferred Financial Assets - Book Value	Related Financial Liabilities - Book Value	Transferred Financial Assets - Fair Value	Related Financial Liabilities - Fair Value	Net Position - Fair Value
Financial assets at fair value through other comprehensive income Transactions under repurchase agreements	\$ 7,390,084	\$ 7,055,833	\$ 7,390,084	\$ 7,055,833	\$ 334,251
Investments in debt instruments at amortized cost Transactions under repurchase agreements	3,170,017	2,995,071	3,137,716	2,995,071	142,645
Securities purchased under resell agreements Transactions under repurchase agreements	12,363,039	13,205,204	12,363,039	13,205,204	(842,165)

#### 16) Offsetting of financial assets and financial liabilities

Bank SinoPac and its subsidiaries did not hold financial instruments covered by Section 42 of the IAS 32 “Financial Instruments: Presentation” endorsed by the Financial Supervisory Commission; thus, it made an offset of financial assets and liabilities and reported the net amount in the balance sheet.

Bank SinoPac and its subsidiaries engages in transactions on the following financial assets and liabilities that are not subject to balance sheet offsetting based on IAS 32 but are under master netting arrangements or similar agreements. These agreements allow both Bank SinoPac and its subsidiaries and its counterparties to opt for the net settlement of financial assets and financial liabilities. If one party defaults, the other one may choose net settlement.

The netting information of financial assets and financial liabilities is set out below:

#### June 30, 2024

Financial Assets	Recognized Financial Assets - Gross Amount	Netted Financial Liabilities Recognized on the Balance Sheet - Gross Amount	Recognized Financial Assets - Net Amount	Related Amount Not Netted on the Balance Sheet		Net Amount
				Financial Instruments (Note)	Cash Received as Collaterals	
Derivative instruments	\$ 32,104,858	\$ -	\$ 32,104,858	\$ 15,487,925	\$ 7,822,165	\$ 8,794,768
Securities purchased under resell agreements	<u>67,452,992</u>	<u>-</u>	<u>67,452,992</u>	<u>67,450,181</u>	<u>-</u>	<u>2,811</u>
	<u>\$ 99,557,850</u>	<u>\$ -</u>	<u>\$ 99,557,850</u>	<u>\$ 82,938,106</u>	<u>\$ 7,822,165</u>	<u>\$ 8,797,579</u>

  

Financial Liabilities	Recognized Financial Liabilities - Gross Amount	Netted Financial Assets Recognized on the Balance Sheet - Gross Amount	Recognized Financial Liabilities - Net Amount	Related Amount Not Netted on the Balance Sheet		Net Amount
				Financial Instruments (Note)	Cash Collaterals Pledged	
Derivative instruments	\$ 29,394,830	\$ -	\$ 29,394,830	\$ 15,487,925	\$ 7,388,516	\$ 6,518,389
Securities sold under repurchase agreements	<u>42,815,466</u>	<u>-</u>	<u>42,815,466</u>	<u>42,811,370</u>	<u>1,373</u>	<u>2,723</u>
	<u>\$ 72,210,296</u>	<u>\$ -</u>	<u>\$ 72,210,296</u>	<u>\$ 58,299,295</u>	<u>\$ 7,389,889</u>	<u>\$ 6,521,112</u>

Note: Including netting settlement agreements and non-cash financial collaterals.

December 31, 2023

Financial Assets	Recognized Financial Assets - Gross Amount	Netted Financial Liabilities Recognized on the Balance Sheet - Gross Amount	Recognized Financial Assets - Net Amount	Related Amount Not Netted on the Balance Sheet		Net Amount
				Financial Instruments (Note)	Cash Received as Collaterals	
Derivative instruments	\$ 34,061,255	\$ -	\$ 34,061,255	\$ 18,901,365	\$ 5,007,622	\$ 10,152,268
Securities purchased under resell agreements	<u>66,804,814</u>	<u>-</u>	<u>66,804,814</u>	<u>66,793,010</u>	<u>-</u>	<u>11,804</u>
	<u>\$ 100,866,069</u>	<u>\$ -</u>	<u>\$ 100,866,069</u>	<u>\$ 85,694,375</u>	<u>\$ 5,007,622</u>	<u>\$ 10,164,072</u>

  

Financial Liabilities	Recognized Financial Liabilities - Gross Amount	Netted Financial Assets Recognized on the Balance Sheet - Gross Amount	Recognized Financial Liabilities - Net Amount	Related Amount Not Netted on the Balance Sheet		Net Amount
				Financial Instruments (Note)	Cash Collaterals Pledged	
Derivative instruments	\$ 39,953,077	\$ -	\$ 39,953,077	\$ 18,901,365	\$ 7,114,337	\$ 13,937,375
Securities sold under repurchase agreements	<u>26,173,587</u>	<u>-</u>	<u>26,173,587</u>	<u>26,169,014</u>	<u>4,573</u>	<u>-</u>
	<u>\$ 66,126,664</u>	<u>\$ -</u>	<u>\$ 66,126,664</u>	<u>\$ 45,070,379</u>	<u>\$ 7,118,910</u>	<u>\$ 13,937,375</u>

Note: Including netting settlement agreements and non-cash financial collaterals.

June 30, 2023

Financial Assets	Recognized Financial Assets - Gross Amount	Netted Financial Liabilities Recognized on the Balance Sheet - Gross Amount	Recognized Financial Assets - Net Amount	Related Amount Not Netted on the Balance Sheet		Net Amount
				Financial Instruments (Note)	Cash Received as Collaterals	
Derivative instruments	\$ 36,892,945	\$ -	\$ 36,892,945	\$ 19,253,221	\$ 2,280,000	\$ 15,359,724
Securities purchased under resell agreements	<u>52,458,865</u>	<u>-</u>	<u>52,458,865</u>	<u>52,457,373</u>	<u>-</u>	<u>1,492</u>
	<u>\$ 89,351,810</u>	<u>\$ -</u>	<u>\$ 89,351,810</u>	<u>\$ 71,710,594</u>	<u>\$ 2,280,000</u>	<u>\$ 15,361,216</u>

  

Financial Liabilities	Recognized Financial Liabilities - Gross Amount	Netted Financial Assets Recognized on the Balance Sheet - Gross Amount	Recognized Financial Liabilities - Net Amount	Related Amount Not Netted on the Balance Sheet		Net Amount
				Financial Instruments (Note)	Cash Collaterals Pledged	
Derivative instruments	\$ 33,702,704	\$ -	\$ 33,702,704	\$ 19,253,221	\$ 3,472,103	\$ 10,977,380
Securities sold under repurchase agreements	<u>24,091,381</u>	<u>-</u>	<u>24,091,381</u>	<u>24,025,268</u>	<u>60,698</u>	<u>5,415</u>
	<u>\$ 57,794,085</u>	<u>\$ -</u>	<u>\$ 57,794,085</u>	<u>\$ 43,278,489</u>	<u>\$ 3,532,801</u>	<u>\$ 10,982,795</u>

Note: Including netting settlement agreements and non-cash financial collaterals.

**SinoPac Securities Corporation and Its Subsidiaries**

a. Risk management organization

SinoPac Securities Corporation (SinoPac Securities) has a risk management committee under the chairman who is the committee convener. The committee is in charge of deliberating risk management policies, regulations and overall risk limitation. It helps the board of directors fully supervise the risk management and related operations. Further, it set up a risk management division that is guided by the manager and is responsible for planning, managing, assessing and executing daily risk management procedures. The committee deliberates each policy, principle and regulation, which are presented to the board of directors for final approval and executed by the risk management division. The risk management division reviews the results and performance of the risk management committee.

b. Goal and policy of risk management

SinoPac Securities and its subsidiaries' objectives and policies of risk management are based on the concept of capital allocation to define the overall total exposure limit. Under this concept and risk management principles, SinoPac Securities and its subsidiaries pursue steady growth within a certain level of risk.

1) Market risk

Market risk refers to the possible loss due to the change in market interest rates, equity instruments, foreign exchange rates and market value change in derivatives which resulted from trading commodity, such as forwards, options, futures, swaps and other composition transactions.

SinoPac Securities and its subsidiaries apply the concept of risk capital allocation in use to set the overall operating limit and market risk limit of SinoPac Securities and its subsidiaries. Through the monitoring of limits, loss advisories and statistical measures to keep an eye on and control market risk in time. Moreover, for the efficient management of market risk, a regular assessment should be presented to the managerial level and board of directors.

SinoPac Securities and its subsidiaries use value-at-risk (VaR), a statistical measure to estimate and manage market risk. Through a regular stress test, sensitivity test and feedback test, SinoPac Securities and its subsidiaries will be able to verify the validity of the risk management system. SinoPac Securities and its subsidiaries use a risk managing tool, risk manager, designed by an internationally renowned institution, MSCI. The system provides more solid, precise quantitative indices and other tools for a more effective risk evaluation.

a) Value-at-risk (VaR)

VaR is a statistical measure that estimates potential losses and is defined as the predicted worst-scenario case due to changes in risk factors under normal circumstances over a specified period and at a specific level of statistical confidence. The VaR is calculated at a 99% confidence level for a one-day holding period, using changes in historical rates and prices.

SinoPac Securities and its subsidiaries' VaR values were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Equities	<u>\$ 68,369</u>	<u>\$ 65,609</u>	<u>\$ 44,763</u>
Interest rate risk	<u>\$ 58,868</u>	<u>\$ 57,492</u>	<u>\$ 65,804</u>
Overall market risk value	<u>\$ 99,162</u>	<u>\$ 63,595</u>	<u>\$ 57,415</u>
Percentage of net value	<u>0.28%</u>	<u>0.19%</u>	<u>0.18%</u>

**For the Three Months Ended June 30**

	2024			2023		
	Average	Minimum	Maximum	Average	Minimum	Maximum
Equities	\$ 62,724	\$ 42,984	\$ 79,533	\$ 43,854	\$ 30,542	\$ 58,116
Interest rate risk	87,690	56,207	124,206	81,642	58,190	103,712

**For the Six Months Ended June 30**

	2024			2023		
	Average	Minimum	Maximum	Average	Minimum	Maximum
Equities	\$ 57,933	\$ 40,036	\$ 80,697	\$ 37,712	\$ 18,736	\$ 58,116
Interest rate risk	76,601	45,948	124,206	74,182	42,596	103,712

Foreign exchange rate risk is mainly due to the purchase of foreign currency-denominated assets. SinoPac Securities and its subsidiaries use certain agreed-upon proximal and distal exchanging points on currency swap contracts to manage foreign exchange risk, so the risk is rather low.

The table below shows the foreign currency-denominated monetary assets and monetary liabilities as of the balance sheet date:

(Unit: Foreign Currencies/New Taiwan Dollars in Thousands)

	<b>June 30, 2024</b>		
	<b>Foreign Currencies</b>	<b>Exchange Rate</b>	<b>NTD</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 1,843,781	32.463	\$ 59,855,699
NTD	2,080,909	1.000	2,080,909
HKD	178,603	4.155	742,136
CNY	1,166,795	4.445	5,186,022
EUR	19,220	34.716	667,261
AUD	379,813	21.531	8,177,568
JPY	45,039,138	0.202	9,083,998
ZAR	117,048	1.781	208,491
<u>Financial liabilities</u>			
Monetary items			
USD	1,710,532	32.463	55,529,593
NTD	1,572,994	1.000	1,572,994
HKD	169,587	4.155	704,592
CNY	426,927	4.445	1,897,552
EUR	8,858	34.716	307,527
AUD	350,367	21.531	7,543,580
JPY	44,386,207	0.202	8,952,348
ZAR	56,705	1.781	101,007
	<b>December 31, 2023</b>		
	<b>Foreign Currencies</b>	<b>Exchange Rate</b>	<b>NTD</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 1,910,879	30.746	\$ 58,753,314
NTD	742,074	1.000	742,074
HKD	235,963	3.929	927,283
CNY	1,407,064	4.331	6,093,797
EUR	109,145	34.017	3,713,086
AUD	29,273	21.008	614,972
JPY	34,309,560	0.217	7,452,031
ZAR	95,990	1.660	159,318
GBP	5,452	39.217	213,816

(Continued)



	<b>December 31, 2023</b>		
	<b>Foreign Currencies</b>	<b>Exchange Rate</b>	<b>NTD</b>
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 1,723,436	30.746	\$ 52,989,298
NTD	236,494	1.000	236,494
HKD	222,335	3.929	873,614
CNY	650,752	4.331	2,818,313
EUR	97,130	34.017	3,304,042
AUD	16,449	21.008	345,556
JPY	33,940,298	0.217	7,371,832
GBP	4,530	39.217	177,672
			(Concluded)

	<b>June 30, 2023</b>		
	<b>Foreign Currencies</b>	<b>Exchange Rate</b>	<b>NTD</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 2,115,079	31.150	\$ 65,884,861
NTD	841,139	1.000	841,139
HKD	448,797	3.974	1,783,555
CNY	1,542,290	4.278	6,598,237
EUR	108,521	33.804	3,668,390
AUD	40,307	20.632	831,615
JPY	29,975,822	0.215	6,445,618
ZAR	105,417	1.650	173,900
GBP	2,825	39.361	111,207

<u>Financial liabilities</u>			
Monetary items			
USD	2,016,030	31.150	62,801,021
NTD	335,606	1.000	335,606
HKD	440,239	3.974	1,749,505
CNY	828,223	4.278	3,547,650
EUR	97,591	33.804	3,298,964
AUD	33,041	20.632	681,711
JPY	29,774,924	0.215	6,401,764

The table below shows the VaR for derivatives owned by SinoPac Securities and its subsidiaries:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Futures and options	\$ 356,119	\$ 109,111	\$ 415,249
Warrants	93,831	26,444	34,886
Interest rate swap contracts	5,969	9,913	6,374
Currency contracts	751	669	2,573
Asset swap option contracts	109,135	81,945	55,133
Equity-linked note	10,674	686	447
Credit-linked note	16,164	16,342	11,714
Principal-guaranteed note	2,243	707	1,443

b) Sensitivity analysis

Aside from using VaR, SinoPac Securities and its subsidiaries use several different sensitivity interest index (e.g., DVP and DV01) and Greeks (e.g., Delta, Gamma, and Vega) for risk assessment.

c) Impact of interest rate benchmark reform

The financial instrument of SinoPac Securities and its subsidiaries affected by interest rate benchmark reform include derivative and non-derivative financial assets and liabilities. The type of interest rate benchmark linked to it is mainly the London InterBank Offered Rate (LIBOR). LIBOR is a forward-looking interest rate benchmark that implies market expectations for future interest rate trend, and includes inter-bank credit discounts. The alternative reference rate of LIBOR is a retrospective interest rate benchmark with actual transaction data and does not include credit discounts. Therefore, additional adjustments must be made when existed contracts are modified from linking LIBOR to alternative interest rate indicator to ensure that the interest rate is economically equivalent between before and after modification.

SinoPac Securities and its subsidiaries have formulated a LIBOR conversion plan to deal with product commodity business strategy adjustments, internal process adjustments, information system updates, financial instrument evaluation model adjustments, and response to related accounting or tax issues required to meet the reform of interest rate benchmark. As of June 30, 2024, SinoPac Securities and its subsidiaries have identified all information systems and internal processes that need to be updated, and these updates have been completed. SinoPac Securities and its subsidiaries have started discussions with financial instrument counterparties on how to amend the affected contracts, and the revisions have been completed. Currently, only six bonds are subject to Synthetic LIBOR, with a maturity date no later than July 28, 2049. The Synthetic LIBOR quotations will still be available for the final interest rate pricing, and there is no need for further negotiation on conversion terms.

Interest rate benchmark reform mainly exposes SinoPac Securities and its subsidiaries to the basic interest rate risk. If SinoPac Securities and its subsidiaries are unable to complete the contracts modification with the counterparty before the decommission of LIBOR, the financial instrument will cause significant uncertainty to the interest rate basis and then that will trigger unexpected interest rate risk exposure.

As of June 30, 2024, the financial instruments of SinoPac Securities and its subsidiaries that have been affected by interest rate benchmark reform and have not yet been converted to alternative interest rate benchmark are summarized as follows:

	<b>Book Value</b>	
	<b>Financial Assets</b>	<b>Financial Liabilities</b>
<b>Non-derivatives</b>		
USD LIBOR	<u>\$ 1,024,590</u>	<u>\$ -</u>

## 2) Credit risk

Credit risk is the risk of financial loss resulting from an issuer, a contract recipient or a borrower's change in credit ratings or failure to meet obligations.

SinoPac Securities and its subsidiaries use risk-based asset allocation to set their caps for total credit risk exposure. Through risk diversification, they monitor and manage the credit limits by single client, single entity, and single corporation. Based on credit ratings, the establishment of credit limits, and the assessment of credit risk as the foundation, through the internal rating system, SinoPac Securities and its subsidiaries give out an exposure limit corresponding to its trading object and review regularly. They also set trading and exposure limits by type of product and department. At the same time the credit rating of the trading object and counterparty should be above the acceptable level set by SinoPac Securities and its subsidiaries. Besides managing by product, SinoPac Securities and its subsidiaries should also consider the risk involved when of different departments handle the same financial instruments as well as the types of commodities being transacted.

SinoPac Securities and its subsidiaries have set a credit risk limit monitoring panel to keep track of trading opponents and prepare credit risk limit usage statistical table daily and regularly prepare credit risk reports for the managerial level and board of directors' review.

The maximum credit risk exposures to financial loss arises principally from the financial assets recognized in the consolidated balance sheets. Except those listed below, the credit risk amounts of financial assets held by SinoPac Securities and its subsidiaries approximated their carrying amount.

	<b>June 30, 2024</b>	
	<b>Carrying Amount</b>	<b>Max. Credit Exposure Amount</b>
Interest rate swaps	\$ 5,068,919	\$ 4,257,903
Asset swap options	<u>1,113,039</u>	<u>1,345,973</u>
	<u>\$ 6,181,958</u>	<u>\$ 5,603,876</u>
	<b>December 31, 2023</b>	
	<b>Carrying Amount</b>	<b>Max. Credit Exposure Amount</b>
Interest rate swaps	\$ 3,623,472	\$ 3,217,749
Asset swap options	<u>818,668</u>	<u>1,043,675</u>
	<u>\$ 4,442,140</u>	<u>\$ 4,261,424</u>

	<b>June 30, 2023</b>	
	<b>Carrying Amount</b>	<b>Max. Credit Exposure Amount</b>
Interest rate swaps	\$ 4,004,326	\$ 3,002,066
Asset swap options	<u>935,290</u>	<u>1,179,328</u>
	<u>\$ 4,939,616</u>	<u>\$ 4,181,394</u>

SinoPac Securities and its subsidiaries' credit risk of major financial assets are as follows:

a) Cash and cash equivalents

Cash and cash equivalents are mainly bank deposits and short-term notes whose counterparties are financial institutions with good credit. SinoPac Securities and its subsidiaries not only comply with the Regulations Governing Securities Firms when uses their funds but also set transaction limits for short-term notes based on counterparties credit ratings.

b) Accounts receivable

Receivables are accounts receivable, payments on behalf of others, temporary payments, and default-settlement receivables, arising from various types of business operations and transactions. SinoPac Securities and its subsidiaries' receivables are covered by a large number of customers, scattered in different industries and geographical areas. SinoPac Securities and its subsidiaries have a provisional policy for impaired assets, and for receivable overdue for more than 6 months, except for those that have been paid in accordance with the agreement, that debt recovery should be conducted one by one, and be recognized as appropriate expected credit losses.

c) Debt instruments and derivatives instruments trading

Of the overall transactions of SinoPac Securities and its subsidiaries as of June 30, 2024, were 52% in the financial service sector and 20% in the electronic industry. In addition, the transaction amounts for trading objects with credit ratings of TWA+ and above has a market share of 85%.

The investment targets of SinoPac Securities and its subsidiaries' debt instruments at fair value through other comprehensive income are limited to the domestic and foreign currency bonds approved by the authorities, and should have a rating of at least BBB+ from the latest external credit rating agency or a minimum of H3 from the internal financial holding department. The risk management department includes the investment positions in the control and management of the credit risk limits on a daily basis to ensure the debt security of the investment positions in the debt instruments measured at FVTOCI.

d) Brokerage business, financing business and the related credit business

SinoPac Securities and its subsidiaries use the financing concentration system and the Merton's probability default (PD) model to monitor individual stock that has a higher default risk in finance, and analyze any abnormal conditions to control the default risk. The controls of the financing business and the brokerage related credit business (including securities business money lending, securities lending, money lending - any use, etc.) are as follows:

- i. Concentration control: In addition to risk grading individual stock and setting the number of individual stock financing (accommodation) and credit limit of individual stock in the whole company, credit limits for the counterparties and related accounts are also set.
  - ii. High-risk stock control: Regularly review the list of high-risk stock and dynamically adjust the number of high-risk stock financing, financing purchase quota and individual credit limits.
- e) Security borrowing collateral price and security borrowing margin

Security borrowing margin deposits refer to the transaction margin deposits placed with the TWSE and creditworthy domestic and foreign financial institutions; hence, the loss from credit risk is very low. Security borrowing collateral price refers to the transaction deposits placed by creditworthy securities firms for hedging transactions involving warrants and margin trading.

- f) Guarantee deposits paid

Guarantee deposits paid mainly serves as the operating guarantee deposits and clearing and settlement fund. The operating guarantee deposits are the statutory deposit deposited with financial institution designated by the local authorities. The clearing and settlement funds are the statutory deposit with domestic and foreign stock and futures exchange. The risk for both operating guarantee deposits and clearing and settlement fund are rather low.

- g) Restricted assets

Restricted assets are mainly the bank deposits used as collateral for loans obtained by SinoPac Securities and its subsidiaries. The financial institutions holding these restricted assets all have good credit rating.

### 3) Liquidity risk

Liquidity risk refers to the risk that assets cannot be realized or sufficient capital cannot be obtained, so that the due obligations cannot be fulfilled (called “capital liquidity risk”), and due to insufficient market depth or disorder, the risk of significant changes of the market price when dealing with or offsetting the position held (called “market liquidity risk”).

SinoPac Securities and its subsidiaries have multiple sources of funding besides their own equity fund. They can also get the funding through borrowing from banks or, issuing commercial papers and corporate bonds. For any emergencies, financial responsibility department should report to the general manager and the chairman immediately and general manager hold a immediately meeting to discuss the emergency plan for cash flow gap. If there will be material extensions, general manager should submit a project report to the risk management committee.

For ensuring capital needs for business development of the subsidiary of SinoPac Securities, mid-term and long-term capital was fulfilled with credit lines from financial institutions and will be approved by authorized person on demand.

Each trading authority of SinoPac Securities and its subsidiaries shall set market liquidity risk control indicators in various business management rules, and the risk management unit shall perform control in accordance with each business management rule. The risk management unit should regularly review the overall position of SinoPac Securities and its subsidiaries and review their liquidity. When there is an abnormal liquidity or an early warning, the general manager and related business units will be notified, and the business unit will propose an explanation or a response plan, and the risk management unit will continue to track the follow-up improvement.

As of June 30, 2024, December 31, 2023 and June 30, 2023, the credit lines unused were \$17,910,469, \$15,619,593 and \$19,230,418, respectively.

The table below shows the analysis of the remaining contractual maturities for financial liabilities as of June 30, 2024, December 31, 2023 and June 30, 2023:

June 30, 2024	Payment Period				Total
	Current Period	First 3 to 12 Months	1 Year to 5 Years	Over 5 Years	
Current borrowings	\$ 4,019,248	\$ -	\$ -	\$ -	\$ 4,019,248
Commercial paper payable	51,950,000	9,270,000	-	-	61,220,000
Current financial liabilities at fair value through profit or loss	30,503,530	2,087,930	8,817,223	-	41,408,683
Liabilities for bonds with attached repurchase agreements	51,204,458	45,804	-	-	51,250,262
Securities financing refundable deposits	1,448,448	-	-	-	1,448,448
Deposits payable for securities financing	1,684,068	-	-	-	1,684,068
Securities lending refundable deposits	7,415,061	-	-	-	7,415,061
Futures traders' equity	37,413,338	-	-	-	37,413,338
Equity for each customer in the account	527,448	-	-	-	527,448
Notes and accounts payable	40,721,049	-	-	-	40,721,049
Other payables	2,945,364	-	-	-	2,945,364
Other current financial liabilities	24,081	-	-	-	24,081
Long-term liabilities - current portion	989,796	2,004,328	-	-	2,994,124
Bonds payable	60,715	52,169	278,233	3,087,033	3,478,150
Lease liabilities	67,709	179,309	321,102	25,950	594,070
	<u>\$ 230,974,313</u>	<u>\$ 13,639,540</u>	<u>\$ 9,416,558</u>	<u>\$ 3,112,983</u>	<u>\$ 257,143,394</u>

December 31, 2023	Payment Period				Total
	Current Period	First 3 to 12 Months	1 Year to 5 Years	Over 5 Years	
Current borrowings	\$ 1,351,515	\$ -	\$ -	\$ -	\$ 1,351,515
Commercial paper payable	30,900,000	200,000	-	-	31,100,000
Current financial liabilities at fair value through profit or loss	26,596,478	1,259,000	6,234,193	-	34,089,671
Liabilities for bonds with attached repurchase agreements	42,907,695	97,436	-	-	43,005,131
Securities financing refundable deposits	2,170,918	-	-	-	2,170,918
Deposits payable for securities financing	2,545,584	-	-	-	2,545,584
Securities lending refundable deposits	8,083,988	-	-	-	8,083,988
Futures traders' equity	30,870,290	-	-	-	30,870,290
Equity for each customer in the account	765,753	-	-	-	765,753
Notes and accounts payable	24,265,754	-	-	-	24,265,754
Other payables	2,802,163	-	-	-	2,802,163
Long-term liabilities - current portion	926,952	-	-	-	926,952
Bonds payable	66,679	64,511	2,279,306	3,120,854	5,531,350
Lease liabilities	67,032	189,765	369,365	30,919	657,081
	<u>\$ 174,320,801</u>	<u>\$ 1,810,712</u>	<u>\$ 8,882,864</u>	<u>\$ 3,151,773</u>	<u>\$ 188,166,150</u>

June 30, 2023	Payment Period				
	Current Period	First 3 to 12 Months	1 Year to 5 Years	Over 5 Years	Total
Current borrowings	\$ 386,108	\$ -	\$ -	\$ -	\$ 386,108
Commercial paper payable	24,350,000	2,300,000	-	-	26,650,000
Current financial liabilities at fair value through profit or loss	24,672,442	1,341,238	5,616,358	-	31,630,038
Liabilities for bonds with attached repurchase agreements	44,605,868	103,128	-	-	44,708,996
Securities financing refundable deposits	1,758,639	-	-	-	1,758,639
Deposits payable for securities financing	1,964,634	-	-	-	1,964,634
Securities lending refundable deposits	9,113,334	-	-	-	9,113,334
Futures traders' equity	35,375,757	-	-	-	35,375,757
Equity for each customer in the account	797,089	-	-	-	797,089
Notes and accounts payable	25,440,702	-	-	-	25,440,702
Other payables	2,169,561	-	-	-	2,169,561
Bonds payable	72,342	64,213	2,287,349	3,155,996	5,579,900
Long-term borrowings	939,184	-	-	-	939,184
Lease liabilities	67,605	202,562	456,190	43,272	769,629
	<u>\$ 171,713,265</u>	<u>\$ 4,011,141</u>	<u>\$ 8,359,897</u>	<u>\$ 3,199,268</u>	<u>\$ 187,283,571</u>

As of June 30, 2024, December 31, 2023 and June 30, 2023, none of SinoPac Securities and its subsidiaries' lease contracts had remaining lease terms exceeding 10 years.

The analysis of the remaining contractual maturities of financial liabilities is based on the earliest due date and prepared on the basis of undiscounted cash flows.

c. Transfers of financial assets

The transferred financial assets of SinoPac Securities and its subsidiaries that do not qualify for derecognition in the daily operation are mainly bonds with attached repurchase agreements. The transaction transfers the contractual rights to receive the cash flows of the financial assets but SinoPac Securities and its subsidiaries retain the liabilities to repurchase the transferred financial assets at fixed price in the future period. SinoPac Securities and its subsidiaries cannot use, sell, or pledge these transferred financial assets within the validity period of the transaction. However, SinoPac Securities and its subsidiaries still bear the interest rate risk and credit risk; thus, SinoPac Securities and its subsidiaries do not derecognize it. Analysis of financial assets and related liabilities not completely meet derecognizing condition is shown in following table:

Category of Financial Asset	June 30, 2024				
	Transferred Financial Assets - Book Value	Related Financial Liabilities - Book Value	Transferred Financial Assets - Fair Value	Related Financial Liabilities - Fair Value	Net Position - Fair Value
<u>Transactions with repurchase agreements</u>					
Financial assets at fair value through profit or loss	\$ 26,988,726	\$ 25,200,043	\$ 26,988,726	\$ 25,200,043	\$ 1,788,683
Financial assets at fair value through other comprehensive income	12,210,403	11,770,565	12,210,403	11,770,565	439,838
Bond investments under resale agreements	13,566,627	13,801,321	13,566,627	13,801,321	(234,694)

Category of Financial Asset	December 31, 2023				
	Transferred Financial Assets - Book Value	Related Financial Liabilities - Book Value	Transferred Financial Assets - Fair Value	Related Financial Liabilities - Fair Value	Net Position - Fair Value
Transactions with repurchase agreements					
Financial assets at fair value through profit or loss	\$ 23,608,002	\$ 22,169,636	\$ 23,608,002	\$ 22,169,636	\$ 1,438,366
Financial assets at fair value through other comprehensive income	9,160,649	8,847,364	9,160,649	8,847,364	313,285
Bond investments under resale agreements	10,976,521	11,528,115	10,976,521	11,528,115	(551,594)

Category of Financial Asset	June 30, 2023				
	Transferred Financial Assets - Book Value	Related Financial Liabilities - Book Value	Transferred Financial Assets - Fair Value	Related Financial Liabilities - Fair Value	Net Position - Fair Value
Transactions with repurchase agreements					
Financial assets at fair value through profit or loss	\$ 15,349,173	\$ 14,456,317	\$ 15,349,173	\$ 14,456,317	\$ 892,856
Financial assets at fair value through other comprehensive income	12,692,756	12,024,756	12,692,756	12,024,756	668,000
Bond investments under resale agreements	16,810,638	18,030,687	16,810,638	18,030,687	(1,220,049)

d. Offsetting of financial assets and financial liabilities

SinoPac Securities and its subsidiaries have partial of receivables from securities sale and payables from securities purchase which meeting offsetting condition, and then offset them on the balance sheet.

SinoPac Securities and its subsidiaries engage in transactions with net settlement contracts or similar agreements with counterparties, when net settlement of financial assets and financial liabilities by the choice of both parties. If not, the settlement will be based on the total amount. And if one party defaulted, the other one may choose to net settlement.

The offsetting information of financial assets and financial liabilities were as follows:

June 30, 2024

Financial Assets Under Offsetting and Executable Net Settlement Contracts or Similar Agreements						
Financial Assets	Recognized Financial Assets - Gross Amount	Netted Financial Liabilities		Related Amount Not Netted on the Balance Sheet		Net Amount
		Recognized on the Balance Sheet - Gross Amount	Recognized Financial Assets - Net Amount	Financial Instruments	Cash Received as Collateral	
Derivative assets - OTC	\$ 6,199,000	\$ -	\$ 6,199,000	\$ 4,181,705	\$ -	\$ 2,017,295
Bond investments under resale agreements	13,570,312	-	13,570,312	13,570,312	-	-
Accounts receivable for sale of securities	<u>10,014,186</u>	<u>5,233,147</u>	<u>4,781,039</u>	<u>-</u>	<u>-</u>	<u>4,781,039</u>
	<u>\$ 29,783,498</u>	<u>\$ 5,233,147</u>	<u>\$ 24,550,351</u>	<u>\$ 17,752,017</u>	<u>\$ -</u>	<u>\$ 6,798,334</u>



**Financial Liabilities Under Offsetting and Executable Net Settlement Contracts or Similar Agreements**

Financial Liabilities	Recognized Financial Liabilities - Gross Amount	Netted Financial Assets		Related Amount Not Netted on the Balance Sheet		Net Amount
		Recognized on the Balance Sheet - Gross Amount	Recognized Financial Liabilities - Net Amount	Financial Instruments	Cash Collateral Pledged	
		Derivative liabilities - OTC	\$ 8,454,265	\$ -	\$ 8,454,265	
Liabilities for bonds with attached repurchase agreements	50,771,929	-	50,771,929	46,988,396	-	3,783,533
Accounts payable for securities purchased	<u>6,453,506</u>	<u>5,233,147</u>	<u>1,220,359</u>	<u>-</u>	<u>-</u>	<u>1,220,359</u>
	<u>\$ 65,679,700</u>	<u>\$ 5,233,147</u>	<u>\$ 60,446,553</u>	<u>\$ 51,170,101</u>	<u>\$ -</u>	<u>\$ 9,276,452</u>

December 31, 2023

**Financial Assets Under Offsetting and Executable Net Settlement Contracts or Similar Agreements**

Financial Assets	Recognized Financial Assets - Gross Amount	Netted Financial Liabilities		Related Amount Not Netted on the Balance Sheet		Net Amount
		Recognized on the Balance Sheet - Gross Amount	Recognized Financial Assets - Net Amount	Financial Instruments	Cash Received as Collateral	
		Derivative assets - OTC	\$ 4,553,568	\$ -	\$ 4,553,568	
Bond investments under resale agreements	11,114,568	-	11,114,568	11,114,568	-	-
Accounts receivable for sale of securities	<u>7,646,058</u>	<u>3,009,816</u>	<u>4,636,242</u>	<u>-</u>	<u>-</u>	<u>4,636,242</u>
	<u>\$ 23,314,194</u>	<u>\$ 3,009,816</u>	<u>\$ 20,304,378</u>	<u>\$ 14,100,115</u>	<u>\$ -</u>	<u>\$ 6,204,263</u>

**Financial Liabilities Under Offsetting and Executable Net Settlement Contracts or Similar Agreements**

Financial Liabilities	Recognized Financial Liabilities - Gross Amount	Netted Financial Assets		Related Amount Not Netted on the Balance Sheet		Net Amount
		Recognized on the Balance Sheet - Gross Amount	Recognized Financial Liabilities - Net Amount	Financial Instruments	Cash Collateral Pledged	
		Derivative liabilities - OTC	\$ 5,576,063	\$ -	\$ 5,576,063	
Liabilities for bonds with attached repurchase agreements	42,545,115	-	42,545,115	39,075,225	-	3,469,890
Accounts payable for securities purchased	<u>4,035,744</u>	<u>3,009,816</u>	<u>1,025,928</u>	<u>-</u>	<u>-</u>	<u>1,025,928</u>
	<u>\$ 52,156,922</u>	<u>\$ 3,009,816</u>	<u>\$ 49,147,106</u>	<u>\$ 42,060,772</u>	<u>\$ -</u>	<u>\$ 7,086,334</u>

June 30, 2023

<b>Financial Assets Under Offsetting and Executable Net Settlement Contracts or Similar Agreements</b>						
<b>Financial Assets</b>	<b>Recognized Financial Assets - Gross Amount</b>	<b>Netted Financial Liabilities</b>	<b>Recognized Financial Assets - Net Amount</b>	<b>Related Amount Not Netted on the Balance Sheet</b>		<b>Net Amount</b>
		<b>Recognized on the Balance Sheet - Gross Amount</b>		<b>Financial Instruments</b>	<b>Cash Received as Collateral</b>	
Derivative assets - OTC	\$ 4,977,407	\$ -	\$ 4,977,407	\$ 3,363,360	\$ -	\$ 1,614,047
Bond investments under resale agreements	16,983,775	-	16,983,775	16,983,775	-	-
Accounts receivable for sale of securities	<u>6,695,832</u>	<u>4,505,412</u>	<u>2,190,420</u>	<u>-</u>	<u>-</u>	<u>2,190,420</u>
	<u>\$ 28,657,014</u>	<u>\$ 4,505,412</u>	<u>\$ 24,151,602</u>	<u>\$ 20,347,135</u>	<u>\$ -</u>	<u>\$ 3,804,467</u>

<b>Financial Liabilities Under Offsetting and Executable Net Settlement Contracts or Similar Agreements</b>						
<b>Financial Liabilities</b>	<b>Recognized Financial Liabilities - Gross Amount</b>	<b>Netted Financial Assets</b>	<b>Recognized Financial Liabilities - Net Amount</b>	<b>Related Amount Not Netted on the Balance Sheet</b>		<b>Net Amount</b>
		<b>Recognized on the Balance Sheet - Gross Amount</b>		<b>Financial Instruments</b>	<b>Cash Collateral Pledged</b>	
Derivative liabilities - OTC	\$ 5,561,709	\$ -	\$ 5,561,709	\$ 3,363,360	\$ -	\$ 2,198,349
Liabilities for bonds with attached repurchase agreements	44,511,760	-	44,511,760	42,082,341	-	2,429,419
Accounts payable for securities purchased	<u>6,202,215</u>	<u>4,505,412</u>	<u>1,696,803</u>	<u>-</u>	<u>-</u>	<u>1,696,803</u>
	<u>\$ 56,275,684</u>	<u>\$ 4,505,412</u>	<u>\$ 51,770,272</u>	<u>\$ 45,445,701</u>	<u>\$ -</u>	<u>\$ 6,324,571</u>

## 50. CAPITAL MANAGEMENT

### SinoPac Financial Holdings

#### a. Overview

The Group's capital management goals are as follows:

As a basic target, the Group's eligible capital should be sufficient to meet their operating needs and should be higher than the required minimum capital adequacy ratio. Eligible capital and legal capital are calculated under regulations pronounced by the authorities.

The Group's should also have adequate capital to bear its risks, should measure capital demand on the basis of risk combinations and risk characteristics, and should optimize resource and capital allocation through risk management.

#### b. Capital management procedure

The Group's capital adequacy ratio should meet the regulations set by the authorities. Also, the Group's should maintain capital adequacy ratio by considering the business scale, major operating strategy, risk conditions, eligible capital structure, future capital increase plan, etc. The Group's reports to the authorities regularly. Overseas subsidiaries' capital management is in accordance with local regulations.

The Group's capital maintenance is in accordance with the "Regulations Governing the Consolidated Capital Adequacy of Financial Holding Companies", "Regulations Governing the Capital Adequacy and Capital Category of Banks", "Regulations Governing Securities Firms" etc., and is managed by the Group's risk management and financing divisions.

c. Capital adequacy ratio

Under the Financial Holding Company Act and related regulations, a financial holding company should maintain a consolidated capital adequacy ratio (CAR) of at least 100%. Thus, if a financial holding company's consolidated CAR falls below 100%, the authorities may prohibit it from declaring cash dividends or distributing other properties. Under certain conditions, the authorities may impose other penalties on the Company. The Group's capital adequacy ratio information for June 30, 2024, December 31, 2023 and June 30, 2023 are shown as follow:

1) Consolidated capital adequacy ratio

**June 30, 2024**

(In Thousands of New Taiwan Dollars, %)

<b>Entities</b>	<b>Item</b>	<b>Percentage of Ownership</b>	<b>Group's Net Eligible Capital</b>	<b>Group's Statutory Capital Requirement</b>
SPH		100%	\$ 193,929,346	\$ 220,412,048
Bank SinoPac		100%	228,406,873	158,187,198
SinoPac Securities		100%	24,908,505	12,414,896
SinoPac Leasing		100%	4,741,437	1,616,333
SinoPac Venture Capital		100%	3,086,869	1,523,397
SinoPac Securities Investment Trust		100%	1,626,767	905,622
Deduction			(231,991,932)	(218,339,210)
Subtotal			224,707,865 (A)	176,720,284 (B)
Consolidated CARs of SPH (C)=(A)÷(B)				127.15% (C)

**December 31, 2023**

(In Thousands of New Taiwan Dollars, %)

<b>Entities</b>	<b>Item</b>	<b>Percentage of Ownership</b>	<b>Group's Net Eligible Capital</b>	<b>Group's Statutory Capital Requirement</b>
SPH		100%	\$ 188,342,217	\$ 215,752,950
Bank SinoPac		100%	225,369,375	146,628,298
SinoPac Securities		100%	25,046,483	11,105,899
SinoPac Leasing		100%	4,534,742	1,518,187
SinoPac Venture Capital		100%	2,948,859	1,478,486
SinoPac Securities Investment Trust		100%	1,683,760	939,424
Deduction			(227,802,397)	(213,649,133)
Subtotal			220,123,039 (A)	163,774,111 (B)
Consolidated CARs of SPH (C)=(A)÷(B)				134.41% (C)

June 30, 2023

(In Thousands of New Taiwan Dollars, %)

Item	Percentage of Ownership	Group's Net Eligible Capital	Group's Statutory Capital Requirement
SPH	100%	\$ 173,040,427	\$ 200,152,018
Bank SinoPac	100%	213,949,555	145,965,989
SinoPac Securities	100%	22,845,907	9,996,981
SinoPac Leasing	100%	4,512,698	1,508,045
SinoPac Venture Capital	100%	2,922,015	1,457,594
SinoPac Securities Investment Trust	100%	1,619,420	878,813
Deduction		(212,421,968)	(198,045,287)
Subtotal		206,468,054 (A)	161,914,153 (B)
Consolidated CARs of SPH (C)=(A)÷(B)			127.52% (C)

2) Financial holding companies' net eligible capital

(In Thousands of New Taiwan Dollars)

Item	June 30, 2024	December 31, 2023	June 30, 2023
Common stock	\$ 123,764,399	\$ 123,764,399	\$ 121,337,646
Capital Instruments that comply with the Tier 1 capital requirement	-	-	-
Other preferred stock and subordinated bank debentures	60,000	60,000	60,000
Capital collected in advance	3,094,110	-	2,426,753
Capital surplus	6,087,799	6,087,799	6,087,799
Legal reserve	25,867,291	23,751,851	23,751,851
Special reserve	5,641,534	14,684,030	14,684,030
Retained earnings	35,552,901	25,164,031	14,128,651
Equity adjustment	(6,117,666)	(5,157,716)	(9,423,943)
Deduction: Goodwill and other intangible assets	(8,896)	494	-
Deduction: Deferred assets	(12,126)	(12,671)	(12,360)
Total	193,929,346	188,342,217	173,040,427

## Bank SinoPac

### a. Overview

Bank SinoPac and its subsidiaries' capital management goals are as follows:

As a basic target, Bank SinoPac and its subsidiaries' eligible capital should be sufficient to meet their operation need, and higher than minimum requirements of the capital adequacy ratio. Eligible capital and legal capital are calculated under the regulations announced by the authority.

Bank SinoPac and its subsidiaries should have adequacy capital to bear the risks, measure capital demand according to risk combination and risk characteristics, fulfill the optimization of resource and capital allocation by risk management.

b. Capital management procedure

Bank SinoPac and its subsidiaries' capital adequacy ratio should meet the regulations announced by the authority. Also, Bank SinoPac and its subsidiaries should maintain capital adequacy ratio by considering Bank SinoPac and its subsidiaries' business scale, major operating strategy, risk condition, eligible capital structure, and future capital increase plan, etc. Bank SinoPac and its subsidiaries reported to the authority regularly. Overseas subsidiaries' capital management is in accordance with local regulations.

Bank SinoPac and its subsidiaries' capital maintenance is in accordance with the "Regulations Governing the Capital Adequacy and Capital Category of Banks", etc., and is managed by Bank SinoPac and its subsidiaries' risk management and financing divisions.

c. Statement of capital adequacy

Analysis Items		Year	June 30, 2024	
			Standalone	Consolidation
Eligible capital	Common stock equity		\$ 165,642,930	\$ 165,521,033
	Other Tier 1 capital		25,500,000	25,500,000
	Tier 2 capital		37,263,943	37,839,490
	Eligible capital		228,406,873	228,860,523
Risk-weighted assets	Credit risk	Standardized approach	1,375,775,879	1,421,819,617
		Internal rating - based approach	-	-
		Securitization	-	-
	Operational risk	Basic indicator approach	88,870,463	91,062,950
		Standardized approach/ alternative standardized approach	-	-
		Advanced measurement approach	-	-
	Market risk	Standardized approach	41,898,402	50,975,332
		Internal model approach	-	-
	Total risk-weighted assets		1,506,544,744	1,563,857,899
	Capital adequacy ratio			15.16%
Common stock equity risk - based capital ratio			10.99%	10.58%
Tier 1 risk - based capital ratio			12.69%	12.21%
Leverage ratio			6.98%	6.78%

Analysis Items		Year	December 31, 2023		
			Standalone	Consolidation	
Eligible capital	Common stock equity		\$ 162,540,791	\$ 162,423,235	
	Other Tier 1 capital		25,500,000	25,500,000	
	Tier 2 capital		37,328,584	37,843,929	
	Eligible capital		225,369,375	225,767,164	
Risk-weighted assets	Credit risk	Standardized approach	1,271,881,587	1,313,109,210	
		Internal rating - based approach	-	-	
		Securitization	-	-	
	Operational risk	Basic indicator approach	88,870,463	91,062,950	
		Standardized approach/ alternative standardized approach	-	-	
		Advanced measurement approach	-	-	
	Market risk	Standardized approach	35,707,933	42,526,215	
		Internal model approach	-	-	
	Total risk-weighted assets			1,396,459,983	1,446,698,375
	Capital adequacy ratio			16.14%	15.61%
Common stock equity risk - based capital ratio			11.64%	11.23%	
Tier 1 risk - based capital ratio			13.47%	12.99%	
Leverage ratio			7.20%	7.00%	

Analysis Items		Year	June 30, 2023		
			Standalone	Consolidation	
Eligible capital	Common stock equity		\$ 151,048,093	\$ 153,955,264	
	Other Tier 1 capital		25,500,000	25,500,000	
	Tier 2 capital		37,401,462	37,694,432	
	Eligible capital		213,949,555	217,149,696	
Risk-weighted assets	Credit risk	Standardized approach	1,275,214,056	1,321,884,428	
		Internal rating - based approach	-	-	
		Securitization	-	-	
	Operational risk	Basic indicator approach	78,079,609	80,281,805	
		Standardized approach/ alternative standardized approach	-	-	
		Advanced measurement approach	-	-	
	Market risk	Standardized approach	36,858,615	39,410,632	
		Internal model approach	-	-	
	Total risk-weighted assets			1,390,152,280	1,441,576,865
	Capital adequacy ratio			15.39%	15.06%
Common stock equity risk - based capital ratio			10.87%	10.68%	
Tier 1 risk - based capital ratio			12.70%	12.45%	
Leverage ratio			6.97%	6.89%	

Note 1: These tables were filled according to “Regulations Governing the Capital Adequacy Ratio of Banks” and related calculation tables.

Note 2: Bank SinoPac shall disclose the capital adequacy ratio for the current and previous period in annual financial reports. For semiannual financial report, Bank SinoPac shall disclose the capital adequacy ratio for the current period, previous period, and previous year-end.

Note 3: The formula is as follows:

- 1) Eligible capital = Common stock equity + Other Tier 1 capital + Tier 2 capital.
- 2) Total risk-weighted assets = Risk-weighted assets for credit risk + (Capital requirements for operational risk + Capital requirement for market risk) x 12.5.
- 3) Ratio of capital adequacy = Eligible capital ÷ Total risk-weighted assets.
- 4) Common stock equity risk-based capital ratio = Common stock equity ÷ Total risk-weighted assets.
- 5) Tier 1 risk - based capital ratio = (Common stock equity + Other Tier 1 capital) ÷ Total risk-weighted assets.
- 6) Leverage ratio = Tier 1 capital ÷ Total exposure risk.

Note 4: In accordance with Financial Supervisory Commission Guideline No. 09900146911, gains from the sale of idle assets are not to be included in Bank SinoPac’s capital adequacy ratio calculation until disposed outside the Group.

### **SinoPac Securities**

As part of coping with its business scale requirements, key operational plans, risk conditions, eligible capital structure and future capital projects, SinoPac Securities complies with the Regulations Governing Securities Firms on the calculation of a capital adequacy ratio and sets up management procedure. Thus, for maintaining stable operations, SinoPac Securities’ capital adequacy ratio, in principle, is at least 250% for its capital adequacy management objectives.

SinoPac Securities’ capital adequacy management procedures are as follows:

- a. The risk management division should calculate, monitor and analyze its capital adequacy ratio regular monthly basis, and be approval by the general manager and chairman of the Board.
- b. The risk management division simulates the capital adequacy ratio based on SinoPac Securities’ business plan, policy direction, investment strategy, important event, and provide to the relevant units.
- c. If SinoPac Securities’ capital adequacy ratio seems to be falling below the target, the risk management division should put forward to the management echelon in order to adopt the response manner as the follows, and execute after the board’s approve.
  - 1) Issuance of financial bonds that can be included in eligible capital.
  - 2) Capital increase.
  - 3) Adjustment of business strategies.

As of June 30, 2024, December 31, 2023 and June 30, 2023, SinoPac Securities' capital adequacy ratio were as follows:

Items	June 30, 2024	December 31, 2023	June 30, 2023
Net eligible capital			
Tier 1 Capital	\$ 33,686,524	\$ 32,819,534	\$ 30,536,302
Tier 2 Capital	3,762,215	3,637,883	3,351,063
Tier 3 Capital	-	-	-
Deductible assets	<u>(12,540,234)</u>	<u>(11,410,934)</u>	<u>(11,041,458)</u>
	<u>\$ 24,908,505</u>	<u>\$ 25,046,483</u>	<u>\$ 22,845,907</u>
Equivalent operating risk			
Market risk equivalent	\$ 5,338,314	\$ 4,872,450	\$ 4,059,754
Credit risk equivalent	1,193,415	883,102	956,519
Operating risk equivalent	<u>1,744,868</u>	<u>1,648,381</u>	<u>1,648,381</u>
	<u>\$ 8,276,597</u>	<u>\$ 7,403,933</u>	<u>\$ 6,664,654</u>
Capital adequacy ratio	301%	338%	343%

Note 1: Capital adequacy ratio = Net eligible capital ÷ Equivalent operating risk.

Note 2: Net eligible capital = Tier 1 capital + Tier 2 capital + Tier 3 capital - Deductible assets.

Note 3: Equivalent operating risk = Market risk equivalent + Credit risk equivalent + Operating risk equivalent.

## 51. CROSS-SELLING INFORMATION

For the six months ended June 30, 2024 and 2023, Bank SinoPac charged SinoPac Securities for \$5,608 and \$3,762, respectively, as opening accounts.

The bonuses Bank SinoPac paid to SinoPac Securities were \$2,636 and \$2,691 for the six months ended June 30, 2024 and 2023 as part of the cross-selling agreement.

The bonuses payments for the six months ended June 30, 2024 and 2023 made by Bank SinoPac from SinoPac Leasing were \$43 and \$49 as part of the cross-selling agreement.

The bonuses payments for the six months ended June 30, 2024 made by SinoPac Securities from SinoPac Leasing were \$5 as part of the cross-selling agreement.

For other transactions within the Group, please refer to Note 45 and Table 11.



## 52. BUSINESS SEGMENT FINANCIAL INFORMATION

For the Six Months Ended June 30, 2024

(In Thousands of New Taiwan Dollars)

Item \ Business Segment	Banking	Security	Others	Consolidated
Net interest revenue	\$ 11,177,888	\$ 370,716	\$ 307,777	\$ 11,856,381
Net revenues other than interest	12,657,061	7,744,985	620,272	21,022,318
Net revenues	23,834,949	8,115,701	928,049	32,878,699
Bad debts expense, commitment and reversal of guarantee liability (provision)	(1,338,589)	662	(179,173)	(1,517,100)
Operating expenses	(10,612,170)	(4,910,353)	(685,261)	(16,207,784)
Profit (loss) from continuing operations before tax	11,884,190	3,206,010	63,615	15,153,815
Income tax (expense) benefit	(2,202,170)	(252,800)	(513,476)	(2,968,446)
Net income (loss)	9,682,020	2,953,210	(449,861)	12,185,369

For the Six Months Ended June 30, 2023

(In Thousands of New Taiwan Dollars)

Item \ Business Segment	Banking	Security	Others	Consolidated
Net interest revenue	\$ 11,679,070	\$ 550,286	\$ 246,092	\$ 12,475,448
Net revenues other than interest	8,515,454	5,049,874	527,576	14,092,904
Net revenues	20,194,524	5,600,160	773,668	26,568,352
Bad debts expense, commitment and reversal of guarantee liability (provision)	(759,906)	(3,672)	(146,916)	(910,494)
Operating expenses	(9,428,324)	(3,889,605)	(618,445)	(13,936,374)
Profit (loss) from continuing operations before tax	10,006,294	1,706,883	8,307	11,721,484
Income tax (expense) benefit	(1,683,044)	(8,500)	69,564	(1,621,980)
Net income (loss)	8,323,250	1,698,383	77,871	10,099,504

## 53. OTHERS

On May 4, 2024, the subsidiary Bank SinoPac's board of directors, on behalf of the shareholders' meeting, resolved to acquired 100% ownership in the Cambodian micro-financial institution, AMRET PLC, in order to expand its presence in Southeast Asia.

The acquisition is expected to be carried out in cash in stages. The first phase is to acquire 80% ownership at approximately US\$435 million and 10% ownership in each of the following two years. However, this transaction will be executed upon approval by the authorities of Taiwan and Cambodia.

## 54. PROFITABILITY

### SinoPac Holdings and Its Subsidiaries

(%)

	Items	June 30, 2024	June 30, 2023
Return on total assets	Before income tax	0.53	0.44
	After income tax	0.43	0.38
Return on net worth	Before income tax	7.93	7.17
	After income tax	6.38	6.18
Profit margin		37.06	38.01

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

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

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

Note 4: Income before (after) tax represents income for the six months ended June 30, 2024 and 2023.

### SinoPac Holdings

(%)

	Items	June 30, 2024	June 30, 2023
Return on total assets	Before income tax	5.75	5.26
	After income tax	5.54	5.32
Return on net worth	Before income tax	6.62	6.10
	After income tax	6.38	6.18
Profit margin		94.26	98.68

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

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

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

Note 4: Income before (after) tax represents income for the six months ended June 30, 2024 and 2023.

### Bank SinoPac

(%)

	Items	June 30, 2024	June 30, 2023
Return on total assets	Before income tax	0.47	0.42
	After income tax	0.39	0.35
Return on net worth	Before income tax	6.79	6.65
	After income tax	5.57	5.56
Profit margin		41.81	42.03

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

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

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

Note 4: Income before (after) tax represents income for the six months ended June 30, 2024 and 2023.

### **SinoPac Securities**

(%)

	<b>Items</b>	<b>June 30, 2024</b>	<b>June 30, 2023</b>
Return on total assets	Before income tax	1.47	1.14
	After income tax	1.40	1.18
Return on net worth	Before income tax	8.80	5.44
	After income tax	8.33	5.66
Profit margin		33.47	30.47

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

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

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

Note 4: Income before (after) tax represents income for the six months ended June 30, 2024 and 2023.

## **55. ADDITIONAL DISCLOSURES**

a. Significant transactions and b. following is the additional information required for the Company and investees:

- 1) Financing provided: Table 1 (under certain regulations, Bank SinoPac and Bank SinoPac (China) are exempt from making related disclosure requirements)
- 2) Endorsement/guarantee provided: Table 2 (under certain regulations, Bank SinoPac and Bank SinoPac (China) are exempt from making related disclosure requirements)
- 3) Marketable securities held: Table 3 (Bank SinoPac, Bank SinoPac (China), SinoPac Securities and SinoPac Securities (Asia) are excluded from related disclosure requirements under the Criteria Governing the Preparation of Financial Reports by Public Banks and the Criteria Governing the Preparation of Financial Reports by Securities Firms)
- 4) Acquired and disposed of investment, at costs or prices of at least NT\$300 million or 10% of the issued capital: None
- 5) Marketable securities acquired and disposed of investment, at costs or prices of at least NT\$300 million or 10% of the issued capital: None
- 6) Acquisition of individual real estate at prices of at least NT\$300 million or 10% of the issued capital: None

- 7) Disposal of individual real estate at prices of at least NT\$300 million or 10% of the issued capital:  
None
- 8) Allowance for service fees to related parties of at least NT\$5 million: None
- 9) Securitization product offered by a subsidiary and under government approval in accordance with the Financial Asset Securitization Act or the Real Estate Securitization Act, and related information:  
None
- 10) Receivables from related parties amounting to at least NT\$300 million or 10% of the issued capital:  
Table 4
- 11) Sale of non-performing loans: None
- 12) The related information and proportionate share in investees: Table 5
- 13) Derivative financial transactions: Note 8
- 14) Other material transactions which will affect the decisions of financial report users: Tables 6 to 17
  - a) The book value of the maximum credit risk exposure of the financial assets: Table 6
  - b) Allowance for discounts and loans: Table 7
  - c) Allowance for accounts receivables: Table 8
  - d) Change in allowance for debt instrument at fair value through other comprehensive income:  
Table 9
  - e) Change in allowance for debt instrument at amortized cost: Table 10
  - f) Related party transactions: Table 11
  - g) Balance sheets of SPH: Table 12
  - h) Comprehensive income statements of SPH: Table 13
  - i) Statement of changes in equity of SPH: Table 14
  - j) Statements of cash flows of SPH: Table 15
  - k) Statement of balance sheet and comprehensive income of SPH's subsidiaries: Table 16
  - l) Public announcements prescribed in financial holding company ACT Article 46: Table 17
  - m) Other significant transactions which may affect the decisions of users of financial reports: None
- c. Information related to investment in Mainland China: Table 18
- d. Information on major shareholders: None

## 56. SEGMENT INFORMATION

The main business of the Company is the investment in and management of its subsidiaries. On the basis of the chief decision maker's resource allocation and department performance review, the Group has divided, business segments by type of services and products provided. The accounting standards and policies mentioned in Note 4 apply to of the business segments under IFRS 8 "Operating Segments". The Group operating segments for the six months ended June 30, 2024 and 2023 are without change. The Group reports the following:

Banking - comprise Bank SinoPac and its subsidiaries; provides commercial banking, money lending and investment, insurance agent, insurance brokerage services.

Securities - comprise SinoPac Securities and its subsidiaries; provides securities dealing, future brokerage, securities dealing and future consulting, investment consulting and asset management services.

Other business segments - comprises SinoPac Leasing and its subsidiaries, SinoPac Securities Investment Trust, and SinoPac Venture Capital and other investment were not identified to disclose as on individual segment.

The Group' segment revenue, operating results and segment assets are shown in the following table.

Segment revenues and results

(In Thousands of New Taiwan Dollars)

		For the Six Months Ended June 30, 2024					
		Banking	Security	Others	Operating Segments	Nonoperating Segments (Including Intercompany Transactions)	Total
Income (loss)	Net interest revenue	\$ 11,126,201	\$ 408,337	\$ 450,081	\$ 11,984,619	\$ (128,238)	\$ 11,856,381
	Interest income	37,638,356	2,117,378	677,740	40,433,474	(42,281)	40,391,193
	Interest expenses	(26,512,155)	(1,709,041)	(227,659)	(28,448,855)	(85,957)	(28,534,812)
	Service fee and commissions income, net	5,649,168	4,941,634	125,131	10,715,933	(4,248)	10,711,685
	Others	7,128,879	2,739,816	552,794	10,421,489	(110,856)	10,310,633
	Total net revenue	23,904,248	8,089,787	1,128,006	33,122,041	(243,342)	32,878,699
	Bad debts expense, commitment and reversal of guarantee liability (provision)	(1,338,589)	662	(179,173)	(1,517,100)	-	(1,517,100)
	Operating expenses	(10,647,201)	(4,929,810)	(454,721)	(16,031,732)	(176,052)	(16,207,784)
	Depreciation and amortization expense	(885,119)	(289,715)	(106,768)	(1,281,602)	38,743	(1,242,859)
	Profit (loss) from continuing operations before tax	11,918,458	3,160,639	494,112	15,573,209	(419,394)	15,153,815
	Income tax (expense) benefit	(2,202,170)	(252,800)	(43,333)	(2,498,303)	(470,143)	(2,968,446)
	Net income (loss)	9,716,288	2,907,839	450,779	13,074,906	(889,537)	12,185,369
		Banking	Security	Others	Operating Segments	Nonoperating Segments (Including Intercompany Transactions)	Total
Asset	Investments accounted for using equity method	\$ -	\$ -	\$ 1,089,459	\$ 1,089,459	\$ -	\$ 1,089,459
	Total assets	2,642,466,287	293,725,973	27,982,342	2,964,174,602	(9,959,510)	2,954,215,092

Segment revenues and results

(In Thousands of New Taiwan Dollars)

		For the Six Months Ended June 30, 2023					
		Banking	Security	Others	Operating Segments	Nonoperating Segments (Including Intercompany Transactions)	Total
Income (loss)	Net interest revenue	\$ 11,637,270	\$ 572,955	\$ 347,253	\$ 12,557,478	\$ (82,030)	\$ 12,475,448
	Interest income	34,260,021	1,607,738	543,559	36,411,318	(25,332)	36,385,986
	Interest expenses	(22,622,751)	(1,034,783)	(196,306)	(23,853,840)	(56,698)	(23,910,538)
	Service fee and commissions income, net	3,849,726	3,474,424	108,878	7,433,028	(6,523)	7,426,505
	Others	4,700,376	1,606,006	483,137	6,789,519	(123,120)	6,666,399
	Total net revenue	20,187,372	5,653,385	939,268	26,780,025	(211,673)	26,568,352
	Bad debts expense, commitment and reversal of guarantee liability (provision)	(759,906)	(3,672)	(146,916)	(910,494)	-	(910,494)
	Operating expenses	(9,462,959)	(3,916,660)	(402,701)	(13,782,320)	(154,054)	(13,936,374)
	Depreciation and amortization expense	(832,479)	(272,502)	(107,415)	(1,212,396)	50,258	(1,162,138)
	Profit (loss) from continuing operations before tax	9,964,507	1,733,053	389,651	12,087,211	(365,727)	11,721,484
	Income tax (expense) benefit	(1,683,044)	(8,500)	(54,091)	(1,745,635)	123,655	(1,621,980)
Net income (loss)	8,281,463	1,724,553	335,560	10,341,576	(242,072)	10,099,504	
		Banking	Security	Others	Operating Segments	Nonoperating Segments (Including Intercompany Transactions)	Total
Asset	Investments accounted for using equity method	\$ -	\$ -	\$ 1,069,802	\$ 1,069,802	\$ -	\$ 1,069,802
	Total assets	2,460,258,801	219,750,303	24,834,918	2,704,844,022	(9,702,536)	2,695,141,486

## SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

FINANCING PROVIDED  
FOR THE SIX MONTHS ENDED JUNE 30, 2024  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Financier	Counterparty	Financial Statement Account	Related Parties	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Interest Rate (%)	Financing Type	Transaction Amount	Financing Reasons	Allowance for Bad Debt	Collateral		Financing Limit for Each Borrowing Company	Financing Company's Financing Amount Limit	
													Item	Value			
1	SinoPac Leasing	I-HWA Industrial Co., Ltd.	Other receivable	No	\$ 47,319	\$ 30,999	\$ 30,999	2.00-15.90	Short-term financing	\$ -	Operating use	\$ 50	-	\$ -	\$ 1,442,430 (Note 2)	\$ 1,896,574 (Note 2)	
		Hsiang-Ming Fishery Co., Ltd.	Other receivable	No	192,500	155,000	105,000	2.00-15.90	Short-term financing	-	Operating use	1,070	-	-	1,442,430 (Note 2)	1,896,574 (Note 2)	
		ET New Media Holding Co., Ltd.	Other receivable	No	95,975	71,572	71,572	2.00-15.90	Short-term financing	-	Operating use	1,190	-	-	1,442,430 (Note 2)	1,896,574 (Note 2)	
		Fengxin Development and Investment Co., Ltd	Other receivable	No	17,182	4,345	4,345	2.00-15.90	Short-term financing	-	Operating use	7	-	-	1,442,430 (Note 2)	1,896,574 (Note 2)	
		Xinyi Construction Co., Ltd.	Other receivable	No	56,000	46,400	46,400	2.00-15.90	Short-term financing	-	Operating use	77	-	-	1,442,430 (Note 2)	1,896,574 (Note 2)	
		TCHING YE FISHERY CO., Ltd.	Other receivable	No	40,500	23,500	23,500	2.00-15.90	Short-term financing	-	Operating use	40	-	-	1,442,430 (Note 2)	1,896,574 (Note 2)	
		Yuanli Engineering Co., Ltd.	Other receivable	No	90,125	76,750	76,750	2.00-15.90	Short-term financing	-	Operating use	965	-	-	1,442,430 (Note 2)	1,896,574 (Note 2)	
		Shin Rong Business Co., Ltd.	Other receivable	No	35,000	14,571	14,571	2.00-15.90	Short-term financing	-	Operating use	26	Margin	-	2,000	1,442,430 (Note 2)	1,896,574 (Note 2)
		LAI-I Metal Industrial Co., Ltd.	Other receivable	No	7,778	4,444	4,444	2.00-15.90	Short-term financing	-	Operating use	8	-	-	-	1,442,430 (Note 2)	1,896,574 (Note 2)
		WIN-GIANT Investment Co., Ltd.	Other receivable	No	50,000	50,000	50,000	2.00-15.90	Short-term financing	-	Operating use	884	-	-	-	1,442,430 (Note 2)	1,896,574 (Note 2)
		Priority International Finance Co., Ltd.	Other receivable	No	20,000	17,083	17,083	2.00-15.90	Short-term financing	-	Operating use	306	Margin	-	3,000	1,442,430 (Note 2)	1,896,574 (Note 2)
2	SinoPac Securities (Cayman)	SinoPac Securities (Asia)	Other receivable	Yes	976,613 (Note 3)	973,953 (Note 3)	973,953 (Note 3)	6.82	Short-term financing	-	Operating use	-	-	-	4,104,392 (Note 3)	4,104,392 (Note 3)	

Note 1: The table is based on regulations from TWSE that Ending Balance refers to the amount lent to individuals, and the amount actually drawn refers to the actual amount lent within the previously mentioned amount.

Note 2: The financial limit for each borrowing company and the financing company's financing amount limits are 30% and 40% of the audited net worth \$4,741,437 of SinoPac Leasing as of June 30, 2024, respectively. The financial limit to each subsidiary of SinoPac Leasing is 40% of its reviewed net worth.

Note 3: In August 2022, the board of directors of SinoPac Securities (Cayman) processed the credit line of US\$30,000 thousand. The maximum balance and the ending balance were based on the credit line of US\$30,000 thousand (NT\$976,613 and NT\$973,953). The credit line for individual and total financing amount calculated based on the net worth of SinoPac Securities (Cayman) as of June 30, 2024 was equal to US\$126,425 thousand (NT\$4,104,392). As of June 30, 2024, SinoPac Securities (Cayman) to SinoPac Securities (Asia) the credit line of US\$30,000 thousand the actual balance of US\$30,000 thousand (NT\$973,953) had been eliminated in consolidated report.

Note 4: Foreign currency amounts (except maximum balance for the period) translated to NTD at spot exchange rate on balance sheet date.



## SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED  
FOR THE SIX MONTHS ENDED JUNE 30, 2024  
(In Thousands of New Taiwan Dollars)

No.	Endorsement/Guarantee Provider	Counterparty		Limits on Individual Endorsement/Guarantee Amounts	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Endorsement/Guarantee Amount Collateralized by Properties	Ratio of Accumulated Amount of Endorsement/Guarantee to Net Asset Value of the Latest Financial Statement (%)	Maximum Endorsement/Guarantee Amounts Allowable	Endorsement/Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/Guarantee Given on Behalf of Companies in Mainland China
		Name	Nature of Relationship										
1	SinoPac Leasing	SinoPac International Leasing Corp.	Subsidiary	\$ 37,931,493	\$ 7,399,989	\$ 7,399,989	\$ 3,788,571	\$ -	156.07	\$ 37,931,493 (Note 1)	Y	N	Y
		SinoPac Capital International (HK)	Subsidiary	37,931,493	11,719,901	11,232,925	1,185,624	-	236.91	37,931,493 (Note 1)	Y	N	N
2	SinoPac Venture Capital	SinoPac Leasing	Affiliate	1,543,434	407,174	407,174	-	-	13.19	3,086,869 (Note 2)	N	N	N

Note 1: The limit on individual endorsement or guarantee amounts is up to 200% of the net worth of SinoPac Leasing. The maximum amount of endorsement or guarantee is 800% of the net worth of SinoPac Leasing. But the amount of endorsement or guarantee is 800% of the worth of the subsidiaries of SinoPac Leasing, which held by more than 50%. The audited net worth of SinoPac Leasing as of June 30, 2024 was \$4,741,437.

Note 2: Endorsement or guarantee cannot exceed the net worth of SinoPac Venture Capital. The limit on individual endorsement or guarantee cannot exceed one-half of the net worth of SinoPac Venture Capital. The audited net worth as of June 30, 2024 was \$3,086,869.

Note 3: Foreign-currency amounts were translated to New Taiwan dollars at the spot exchange rates on the balance sheet date.

Note 4: Guarantee given by parent on behalf of subsidiaries, by subsidiaries on behalf of parent and on behalf of companies in Mainland China filled in Y.

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

JUNE 30, 2024

(In Thousands of New Taiwan Dollars or Shares)

Holding Company	Type and Issuer of Marketable Securities	Relationship with Holding Company	Financial Statement Account	June 30, 2024				Note
				Shares/Units/ Face Amount	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
SPH	<u>Stock</u> Taiwan Depository And Clearing Corporation	-	Financial assets at fair value through other comprehensive income	543	\$ 46,357	0.08	\$ 46,357	
SinoPac Futures	<u>Stock</u> Taiwan Futures Exchange (TAIFEX)	Affiliate of SinoPac Securities' director	Financial assets at fair value through other comprehensive income	1,362	93,009	0.25	93,009	
	GME Group Inc.	-	Financial assets at fair value through other comprehensive income	20	127,593	0.01	127,593	
	Charoen Pokphand Enterprise (Taiwan) Co., Ltd.	-	Financial assets at fair value through other comprehensive income	186	19,623	0.06	19,623	
	Grape King Bio Ltd.	-	Financial assets at fair value through other comprehensive income	127	19,494	0.09	19,494	
	United Microelectronics Corporation	-	Financial assets at fair value through other comprehensive income	1,554	86,558	0.01	86,558	
	Hon Hai Precision Industry Co., Ltd.	-	Financial assets at fair value through other comprehensive income	240	51,360	-	51,360	
	Transcend Information, Inc.	-	Financial assets at fair value through other comprehensive income	335	38,525	0.08	38,525	
	Mediatek Inc.	-	Financial assets at fair value through other comprehensive income	35	49,000	-	49,000	
	Huaku Development Co., Ltd.	-	Financial assets at fair value through other comprehensive income	213	29,075	0.08	29,075	
	Wowprime Corporation	-	Financial assets at fair value through other comprehensive income	162	38,799	0.19	38,799	
	King'S Town Bank Co., Ltd.	-	Financial assets at fair value through other comprehensive income	449	27,344	0.04	27,344	
	Central Reinsurance Corporation	-	Financial assets at fair value through other comprehensive income	1,115	28,878	0.14	28,878	
	Far Eastern Department Stores Co., Ltd.	-	Financial assets at fair value through other comprehensive income	1,010	34,340	0.07	34,340	
	ITE Tech. Inc	-	Financial assets at fair value through other comprehensive income	170	28,985	0.11	28,985	
	Fsp Technology Inc.	-	Financial assets at fair value through other comprehensive income	452	27,482	0.24	27,482	

(Continued)

Holding Company	Type and Issuer of Marketable Securities	Relationship with Holding Company	Financial Statement Account	June 30, 2024				Note
				Shares/Units/ Face Amount	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Novatek Microelectronics Corp.	Affiliate of SPH's director	Financial assets at fair value through other comprehensive income	50	\$ 30,300	0.01	\$ 30,300	
	Taiwan Mobile Co., Ltd.	-	Financial assets at fair value through other comprehensive income	788	84,316	0.02	84,316	
	Raydium Semiconductor Corporation	-	Financial assets at fair value through other comprehensive income	41	16,851	0.05	16,851	
	Arcadyan Technology Corporation	-	Financial assets at fair value through other comprehensive income	116	18,792	0.05	18,792	
	Wpg holdings limited	-	Financial assets at fair value through other comprehensive income	506	45,439	0.03	45,439	
	ASE Technology Holding Co., Ltd.	-	Financial assets at fair value through other comprehensive income	190	32,015	-	32,015	
	Far Eastone Telecommunications Co., Ltd.	-	Financial assets at fair value through other comprehensive income	229	19,259	0.01	19,259	
	Primax Electronics Ltd.	-	Financial assets at fair value through other comprehensive income	444	41,825	0.10	41,825	
	Vanguard International Semiconductor Corporation	-	Financial assets at fair value through other comprehensive income	351	45,454	0.02	45,454	
	Sino-American Silicon Products Inc.	-	Financial assets at fair value through other comprehensive income	162	35,235	0.03	35,235	
	Simplo Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income	48	20,520	0.03	20,520	
	Powertech Technology Inc.	-	Financial assets at fair value through other comprehensive income	151	28,388	0.02	28,388	
	Darfon Electronics Corp.	-	Financial assets at fair value through other comprehensive income	473	32,590	0.17	32,590	
	Cleanaway Company Limited	-	Financial assets at fair value through other comprehensive income	104	18,876	0.10	18,876	
	CTCI Corporation	-	Financial assets at fair value through other comprehensive income	728	38,584	0.09	38,584	
	Tainan Enterprises Co., Ltd.	-	Financial assets at fair value through profit or loss	28	1,257	0.02	1,257	
	Syncmold Enterprise Corp.	-	Financial assets at fair value through profit or loss	13	1,404	0.01	1,404	
	Jung Shing Wire Co., Ltd.	-	Financial assets at fair value through profit or loss	57	1,436	0.04	1,436	
	Hold-Key Electric Wire & Cable Co., Ltd.	-	Financial assets at fair value through profit or loss	27	1,542	0.01	1,542	
	Evergreen Steel Corporation	-	Financial assets at fair value through profit or loss	10	1,395	-	1,395	
	Hon Hai Precision Industry Co., Ltd.	-	Financial assets at fair value through profit or loss	8	1,712	-	1,712	
	Sdi Corporation	-	Financial assets at fair value through profit or loss	9	1,255	-	1,255	
	I-Chiun Precision Industry Co., Ltd.	-	Financial assets at fair value through profit or loss	13	1,755	0.01	1,755	

(Continued)

Holding Company	Type and Issuer of Marketable Securities	Relationship with Holding Company	Financial Statement Account	June 30, 2024				Note
				Shares/Units/ Face Amount	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Kindom Development Co., Ltd.	-	Financial assets at fair value through profit or loss	25	\$ 1,365	-	\$ 1,365	
	China Airlines Ltd.	Affiliate of Bank SinoPac's director	Financial assets at fair value through profit or loss	63	1,493	-	1,493	
	Megawin Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	26	1,469	0.06	1,469	
	Yao Sheng Electronic Co., Ltd.	-	Financial assets at fair value through profit or loss	10	1,455	0.02	1,455	
	Xintec Inc.	-	Financial assets at fair value through profit or loss	10	1,800	-	1,800	
	Shin Zu Shing Co., Ltd.	-	Financial assets at fair value through profit or loss	6	1,470	-	1,470	
	Solteam Incorporation	-	Financial assets at fair value through profit or loss	28	1,574	0.04	1,574	
	Savior Lifetec Corporation	-	Financial assets at fair value through profit or loss	65	1,657	0.02	1,657	
	Min Aik Precision Industrial Co., Ltd.	-	Financial assets at fair value through profit or loss	33	1,917	0.04	1,917	
	Global Tek Fabrication Co., Ltd.	-	Financial assets at fair value through profit or loss	19	1,853	0.02	1,853	
	Primax Electronics Ltd.	-	Financial assets at fair value through profit or loss	14	1,319	-	1,319	
	Team Group Inc.	-	Financial assets at fair value through profit or loss	10	1,485	0.01	1,485	
	Aspeed Technology Inc.	-	Financial assets at fair value through profit or loss	-	1,467	-	1,467	
	Vanguard International Semiconductor Corporation	-	Financial assets at fair value through profit or loss	14	1,813	-	1,813	
	All Ring Tech Co., Ltd.	-	Financial assets at fair value through profit or loss	6	1,611	0.01	1,611	
	Lumax International Corp., Ltd.	-	Financial assets at fair value through profit or loss	12	1,506	0.01	1,506	
	Draytek Corp.	-	Financial assets at fair value through profit or loss	33	1,581	0.04	1,581	
	Ezconn Corporation	-	Financial assets at fair value through profit or loss	6	2,019	0.01	2,019	
	Jmc Electronics Co., Ltd.	-	Financial assets at fair value through profit or loss	27	1,520	0.03	1,520	
	Yankey Engineering Co., Ltd.	-	Financial assets at fair value through profit or loss	4	1,764	-	1,764	
	Fittech Co., Ltd.	-	Financial assets at fair value through profit or loss	18	1,962	0.02	1,962	
	Brilliant Network & Automation Integrated System Co., Ltd.	-	Financial assets at fair value through profit or loss	10	1,835	0.03	1,835	
	Posiflex Technology, Inc.	-	Financial assets at fair value through profit or loss	10	1,745	0.01	1,745	

(Continued)

Holding Company	Type and Issuer of Marketable Securities	Relationship with Holding Company	Financial Statement Account	June 30, 2024				Note
				Shares/Units/ Face Amount	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
SinoPac Venture Capital	<u>Fund</u>							
	Yuanta Global Leaders Balanced Fund-TWD(A)	-	Financial assets at fair value through profit or loss	977	\$ 14,092	-	\$ 14,092	
	Yuanta 2-10 Year Investment Grade Corporate Bond Fund	-	Financial assets at fair value through profit or loss	2,000	21,601	-	21,601	
	Yuanta Japan Leaders Equity Fund - TWD (A)	-	Financial assets at fair value through profit or loss	2,500	28,450	-	28,450	
	Fubon US Treasury Inflation-Linked Bond Index Fund (A)	-	Financial assets at fair value through profit or loss	972	10,627	-	10,627	
	Cathay 3-Year Maturity Global Market Investment Grade Bond Fund A	-	Financial assets at fair value through profit or loss	500	5,331	-	5,331	
	Yuanta FTSE4Good TIP Taiwan ESG ETF Feeder Fund (A)	-	Financial assets at fair value through profit or loss	1,500	19,725	-	19,725	
	Cathay 15+ Year Technology Bond Select ETF	-	Financial assets at fair value through profit or loss	250	8,147	-	8,147	
	Cathay FTSE Emerging Markets ETF	-	Financial assets at fair value through profit or loss	500	11,430	-	11,430	
	Cathay Korea/Taiwan IT Premier ETF	-	Financial assets at fair value through profit or loss	300	11,667	-	11,667	
	Cathay Us Corporate 10+ Years Banking ETF	-	Financial assets at fair value through profit or loss	334	5,618	-	5,618	
	<u>Stock</u>							
	Taigen Biopharmaceuticals Holdings Limited	Related party	Financial assets at fair value through profit or loss	20,045	303,684	2.79	303,684	
	Kuang Hong Arts Management Incorporation	-	Financial assets at fair value through profit or loss	86	6,290	0.26	6,290	
	3S Silicon Tech, Inc.	-	Financial assets at fair value through profit or loss	1,588	48,333	4.28	48,333	
	Centera Photonics Inc.	Affiliate of SinoPac Venture Capital's general manager	Financial assets at fair value through profit or loss	1,842	18,417	3.83	18,417	
	J-metrics Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	1,200	1,548	4.30	1,548	
	Taisys Technologies Co., Ltd.	-	Financial assets at fair value through profit or loss	380	10,869	1.43	10,869	
	DA HO Marketing Co., Ltd.	-	Financial assets at fair value through profit or loss	1,050	28,308	12.20	28,308	
	New Micropore, Inc.	Affiliate of SinoPac Venture Capital's general manager	Financial assets at fair value through profit or loss	1,000	-	10.00	-	
Toyo Automation Co., Ltd.	-	Financial assets at fair value through profit or loss	984	90,423	3.24	90,423		
Prudence Venture Investment Corporation	-	Financial assets at fair value through profit or loss	166	1,781	2.50	1,781		
Boston Life Science Venture Co.	-	Financial assets at fair value through profit or loss	3,690	959	5.00	959		

(Continued)

Holding Company	Type and Issuer of Marketable Securities	Relationship with Holding Company	Financial Statement Account	June 30, 2024				Note
				Shares/Units/ Face Amount	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Taiwan Incubator Small & Medium Enterprises Development Corp.	Affiliate of SinoPac Venture Capital's general manager	Financial assets at fair value through profit or loss	3,417	\$ 33,798	4.84	\$ 33,798	
	Taiwania Capital Buffalo II Bioventures, LP	-	Financial assets at fair value through profit or loss	-	59,139	-	59,139	
	Asia Metal Industries, Inc.	-	Financial assets at fair value through profit or loss	715	46,475	2.66	46,475	
	Hantop Intelligence Technology Co., Ltd.	Affiliate of SinoPac Venture Capital's general manager	Financial assets at fair value through profit or loss	1,250	10,263	9.07	10,263	
	Annji Pharmaceutical Co., Ltd.	-	Financial assets at fair value through profit or loss	3,384	143,651	3.62	143,651	
	Evergreen Steel Corporation	-	Financial assets at fair value through profit or loss	1,013	141,314	0.24	141,314	
	Active Technology Engineering Inc.	Affiliate of SinoPac Venture Capital's manager	Financial assets at fair value through profit or loss	1,719	38,601	9.99	38,601	
	Lian Hong Art CO., Ltd.	-	Financial assets at fair value through profit or loss	126	2,329	0.33	2,329	
	Infinity Communication Tech. Inc.	Affiliate of Bank SinoPac's directors	Financial assets at fair value through profit or loss	2,000	5,980	2.64	5,980	
	Morrison Opto-Electronics Ltd.	-	Financial assets at fair value through profit or loss	717	67,883	3.12	67,883	
	Biogend Therapeutics Co., Ltd.	-	Financial assets at fair value through profit or loss	1,083	42,508	0.87	42,508	
	Hui-Min Environment Tech Corp.	-	Financial assets at fair value through profit or loss	901	42,798	2.56	42,798	
	Obigen Pharma, Inc.	-	Financial assets at fair value through profit or loss	1,000	44,680	0.94	44,680	
	Taiwania Capital Buffalo III Bioventures, LP	-	Financial assets at fair value through profit or loss	-	56,099	-	56,099	
	GE Technology Inc.	-	Financial assets at fair value through profit or loss	479	14,740	2.01	14,740	
	High Entropy Materials, Inc.	Affiliate of SinoPac Venture Capital's general manager	Financial assets at fair value through profit or loss	2,500	6,675	5.25	6,675	
	Evergreen Aviation Technologies Corporation	-	Financial assets at fair value through profit or loss	980	110,250	0.26	110,250	
	Mega Union Technology Inc.	-	Financial assets at fair value through profit or loss	576	189,504	0.94	189,504	
	Medeon Biodesign Inc.	Related party	Financial assets at fair value through profit or loss	458	23,383	0.50	23,383	
	Phoenix Pioneer Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	1,728	23,812	0.58	23,812	
	PharmaEssentia Corp.	-	Financial assets at fair value through profit or loss	400	194,035	0.12	194,035	
	Airoha Technology Corp.	-	Financial assets at fair value through profit or loss	60	44,340	0.04	44,340	
	Mercuries F&B Co., Ltd.	-	Financial assets at fair value through profit or loss	350	29,726	0.58	29,726	

(Continued)

Holding Company	Type and Issuer of Marketable Securities	Relationship with Holding Company	Financial Statement Account	June 30, 2024				Note
				Shares/Units/ Face Amount	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Asia Best Life Care Co., Ltd.	-	Financial assets at fair value through profit or loss	2,748	\$ 56,523	1.60	\$ 56,523	
	Foxtron Vehicle Technologies Co., Ltd.	-	Financial assets at fair value through profit or loss	112	5,370	0.01	5,370	
	Pet Pharm Biotech Co., Ltd.	-	Financial assets at fair value through profit or loss	1,280	36,019	3.16	36,019	
	Clean Air Technology Limited	-	Financial assets at fair value through profit or loss	1,600	44,800	4.90	44,800	
	Eastern Union Interactice Corp.	-	Financial assets at fair value through profit or loss	498	94,869	2.00	94,869	
	Sunny Pharmtech Inc.	-	Financial assets at fair value through profit or loss	924	23,129	0.62	23,129	
	Asia Best Life Care Co., Ltd	-	Financial assets at fair value through profit or loss	4	36,321	1.57	36,321	
	CGK International Co., Ltd.	-	Financial assets at fair value through profit or loss	1,540	17,833	3.52	17,833	
	MiCareo Inc.	Affiliate of SinoPac Venture Capital's general manager	Financial assets at fair value through profit or loss	6,033	-	14.49	-	
	Transound Electronics Co., Ltd.	-	Financial assets at fair value through profit or loss	1,800	26,568	4.58	26,568	
	Apollo Medical Optics Inc.	-	Financial assets at fair value through profit or loss	1,667	483	3.48	483	
	Stemcyte International Ltd.	-	Financial assets at fair value through profit or loss	720	29,681	0.45	29,681	
	Telexpress Corp.	Affiliate of SinoPac Venture Capital's general manager	Financial assets at fair value through other comprehensive income	542	9,958	3.39	9,958	
	Taiwan Creative Industry Development Co., Ltd.	Affiliate of SinoPac Venture Capital's general manager	Financial assets at fair value through other comprehensive income	1,700	34,969	8.5	34,969	
	Lian An Co., Ltd.	Affiliate of Bank SinoPac's manager	Financial assets at fair value through other comprehensive income	125	2,566	5.00	2,566	
	Ecrowd Media Inc.	Affiliate of SPH board of director	Financial assets at fair value through other comprehensive income	1,863	47,185	9.19	47,185	
	Mei Ta Industrial Co., Ltd.	-	Financial assets at fair value through other comprehensive income	212	177,887	0.49	177,887	
	Sheng Ho Energy Co., Ltd.	Related party	Financial assets at fair value through other comprehensive income	9,990	113,187	9.99	113,187	
	NP Taiwan, Inc.	-	Financial assets at fair value through other comprehensive income	207	11,265	5.88	11,265	
	Brightman Optoelectronics (Cayman) Co., Ltd.	-	Financial assets at fair value through other comprehensive income	855	-	11.69	-	
	Neutron Innovation (BVI) Limited	-	Financial assets at fair value through other comprehensive income	1,569	70,489	6.02	70,489	
	Mozido C-1	-	Financial assets at fair value through other comprehensive income	60	339	0.01	339	
	Mozido C-2	-	Financial assets at fair value through other comprehensive income	259	1,468	0.05	1,468	

(Continued)

Holding Company	Type and Issuer of Marketable Securities	Relationship with Holding Company	Financial Statement Account	June 30, 2024				Note
				Shares/Units/ Face Amount	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
SinoPac Securities Investment Trust	<u>Fund</u> SinoPac TAIEX ETF	Fund under SinoPac Securities Investment Trust Corporation's management	Financial assets at fair value through profit or loss	9	\$ 1,029	-	\$ 1,029	
	SinoPac Emerging Markets Corporate Bond Fund-Accumulation	Fund under SinoPac Securities Investment Trust Corporation's management	Financial assets at fair value through profit or loss	859	8,567	-	8,567	
SinoPac Securities Venture Capital	<u>Stock</u> Great Giant Fibre Garment Co., Ltd.	-	Financial assets at fair value through profit or loss	94	15,290	0.16	15,290	
	Evergreen Aviation Technologies Corporation	-	Financial assets at fair value through profit or loss	250	28,125	0.07	28,125	
	Hui-Min Environment Tech Corp.	-	Financial assets at fair value through profit or loss	460	21,850	1.31	21,850	
	Green Shepherd Corporation	-	Financial assets at fair value through profit or loss	392	9,620	2.77	9,620	
	Tantti Laboratory Inc.	-	Financial assets at fair value through profit or loss	300	4,128	0.83	4,128	
	Chenfeng Optronics Co., Ltd.	-	Financial assets at fair value through profit or loss	1,500	44,175	1.49	44,175	
	Cheng Mei Instrument Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	800	38,920	2.16	38,920	
	Taiwan Web Service Corporation	-	Financial assets at fair value through profit or loss	5,000	45,550	7.46	45,550	
	Horizon Fixture Group Co., Ltd.	-	Financial assets at fair value through profit or loss	193	51,338	0.35	51,338	
	Techzone Technology Materials Co., Ltd.	-	Financial assets at fair value through profit or loss	900	72,000	0.95	72,000	
	Augentix Inc.	-	Financial assets at fair value through profit or loss	500	42,500	2.03	42,500	
	Trio Technology International Group Co., Ltd.	-	Financial assets at fair value through profit or loss	400	26,000	0.91	26,000	
	Greenrock Energy Co., Ltd	-	Financial assets at fair value through profit or loss	1,000	47,120	4.32	47,120	
	Giant Heavy Machinery Service Corporation	-	Financial assets at fair value through profit or loss	300	16,596	0.66	16,596	
	Castec International Corp.	-	Financial assets at fair value through profit or loss	500	12,980	1.38	12,980	
	Altob Inc.	-	Financial assets at fair value through profit or loss	1,000	56,190	9.71	56,190	
Dong Fang Offshore Co., Ltd.	-	Financial assets at fair value through profit or loss	1,500	129,045	1.00	129,045		
ZEITEC SEMICONDUCTOR CO., LTD.	-	Financial assets at fair value through profit or loss	600	90,000	3.33	90,000		

(Continued)



Holding Company	Type and Issuer of Marketable Securities	Relationship with Holding Company	Financial Statement Account	June 30, 2024				Note
				Shares/Units/ Face Amount	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
SinoPac Capital (Asia)	<u>Bond</u>							
	DB 0 09/24/27 EMTN	-	Financial assets at fair value through profit or loss	280	\$ 5,016	-	\$ 5,016	
	EMIRATES NBD BANK PJSC 3.6% 09NOV2031	-	Financial assets at fair value through profit or loss	300	5,596	-	5,596	
	EMIRATES NBD BANK PJSC 3.7% 23FEB2032	-	Financial assets at fair value through profit or loss	680	12,715	-	12,715	
	CREDIT AGRICOLE SA 5.411% 18JAN2029	-	Financial assets at fair value through profit or loss	3,300	70,924	-	70,924	
	CREDIT AGRICOLE SA FLOAT 18JAN2029	-	Financial assets at fair value through profit or loss	2,000	43,292	-	43,292	
	REGION RETAIL TRUST 5.55% 05MAR2031	-	Financial assets at fair value through profit or loss	500	10,688	-	10,688	
	BRISBANE AIRPORT CORP 5.9% 08MAR2034	-	Financial assets at fair value through profit or loss	800	17,300	-	17,300	
	AURIZON NETWORK PTY LTD 6.1% 12SEP2031	-	Financial assets at fair value through profit or loss	2,000	43,182	-	43,182	
	HSBC HOLDINGS PLC FLOAT 21MAR2034	-	Financial assets at fair value through profit or loss	2,000	43,571	-	43,571	
	HSBC HOLDINGS PLC 6.211% 21MAR2034	-	Financial assets at fair value through profit or loss	180	3,883	-	3,883	
	WESTPAC BANKING CORP 5.754% 03APR2034	-	Financial assets at fair value through profit or loss	2,500	53,623	-	53,623	
	NATIONAL AUSTRALIA BANK 6.342% 06JUN2039	-	Financial assets at fair value through profit or loss	1,800	39,327	-	39,327	
	MASQUH 4 08/06/25 EMTN	-	Financial assets at fair value through profit or loss	18,790	84,139	-	84,139	
	QNB FINANCE LTD 2.8% 24FEB2028	-	Financial assets at fair value through profit or loss	2,090	9,038	-	9,038	
	NIPLIF V5.1 10/16/44 REGS	-	Financial assets at fair value through profit or loss	1,100	35,538	-	35,538	
	TENCNT 3.8 02/11/25 REGS	-	Financial assets at fair value through profit or loss	860	27,618	-	27,618	
	SOCGEN 4.25 04/14/25 REGS	-	Financial assets at fair value through profit or loss	1,000	31,902	-	31,902	
	FORCAY 3.375 04/22/25	-	Financial assets at fair value through profit or loss	400	12,745	-	12,745	
	DB 4.5 04/01/25	-	Financial assets at fair value through profit or loss	1,200	38,488	-	38,488	
C 4.4 06/10/25	-	Financial assets at fair value through profit or loss	270	8,644	-	8,644		
ICBCAS 4.875 09/21/25 REGS	-	Financial assets at fair value through profit or loss	400	12,866	-	12,866		
SOCGEN 4.75 11/24/25 REGS	-	Financial assets at fair value through profit or loss	750	23,851	-	23,851		

(Continued)

Holding Company	Type and Issuer of Marketable Securities	Relationship with Holding Company	Financial Statement Account	June 30, 2024				Note
				Shares/Units/ Face Amount	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
	STANLN 4.05 04/12/26 REGS	-	Financial assets at fair value through profit or loss	200	\$ 6,329	-	\$ 6,329	
	BACR 5.2 05/12/26	-	Financial assets at fair value through profit or loss	700	22,438	-	22,438	
	BNP 4.375 05/12/26 REGS	-	Financial assets at fair value through profit or loss	1,400	44,199	-	44,199	
	ABNANV 4.75 07/28/25 REGS	-	Financial assets at fair value through profit or loss	350	11,205	-	11,205	
	STANLN 4.3 02/19/27 REGS	-	Financial assets at fair value through profit or loss	150	4,716	-	4,716	
	KSA 3.25 10/26/26 REGS	-	Financial assets at fair value through profit or loss	10	311	-	311	
	GS 4.25 10/21/25	-	Financial assets at fair value through profit or loss	240	7,650	-	7,650	
	BACR 4.836 05/09/28	-	Financial assets at fair value through profit or loss	919	28,786	-	28,786	
	CSSSHI 2.5 02/13/25	-	Financial assets at fair value through profit or loss	2,000	63,656	-	63,656	
	BOCAVI 3.25 04/29/25 REGS	-	Financial assets at fair value through profit or loss	400	12,726	-	12,726	
	PINGIN 2.75 06/02/25 EMTN	-	Financial assets at fair value through profit or loss	500	15,763	-	15,763	
	MAYMK F 08/16/24 EMTN	-	Financial assets at fair value through profit or loss	3,000	97,438	-	97,438	
	MEITUAN 2.125% 28OCT2025	-	Financial assets at fair value through profit or loss	1,000	30,995	-	30,995	
	SINO TRENDY INVST 2.95% 30OCT2025	-	Financial assets at fair value through profit or loss	300	9,277	-	9,277	
	SAUDI ARABIAN OIL CO 1.625% 24NOV2025	-	Financial assets at fair value through profit or loss	600	18,450	-	18,450	
	TALENT YIELD INTNTNL 2% 06MAY2026	-	Financial assets at fair value through profit or loss	1,000	30,471	-	30,471	
	ZHEJIANG EXPRESSWAY CO 1.638% 14JUL2026	-	Financial assets at fair value through profit or loss	1,000	30,027	-	30,027	
	XIAOMI BEST TIME INTL 2.875% 14JUL2031	-	Financial assets at fair value through profit or loss	1,000	27,189	-	27,189	
	KOREA INV & SECS CO LTD 1.375% 19JUL2024	-	Financial assets at fair value through profit or loss	1,000	32,387	-	32,387	
	TENCENT MUSIC ENT GRP 2% 03SEP2030	-	Financial assets at fair value through profit or loss	1,000	26,855	-	26,855	
	ANHUI TRANSPORTATION HK 1.618% 26AUG2026	-	Financial assets at fair value through profit or loss	1,400	41,666	-	41,666	
	ZHENGZHOU METRO GROUP 1.915% 15NOV2024	-	Financial assets at fair value through profit or loss	3,700	117,837	-	117,837	

(Continued)

Holding Company	Type and Issuer of Marketable Securities	Relationship with Holding Company	Financial Statement Account	June 30, 2024				Note
				Shares/Units/ Face Amount	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
	NATIONAL AUSTRALIA BANK 0.700003% 12JAN2027	-	Financial assets at fair value through profit or loss	500	\$ 16,243	-	\$ 16,243	
	NATIONAL AUSTRALIA BANK 0.430003% 12JAN2025	-	Financial assets at fair value through profit or loss	500	16,228	-	16,228	
	SUNNY OPTICAL TECH 5.95% 17JUL2026	-	Financial assets at fair value through profit or loss	1,000	32,549	-	32,549	
	SK HYNIX INC 6.25% 17JAN2026	-	Financial assets at fair value through profit or loss	500	16,368	-	16,368	
	mitsubishi UFJ FINANCIAL GROUP, INC. (MUFG) 5.719% 20FEB2026	-	Financial assets at fair value through profit or loss	500	16,223	-	16,223	
	mitsubishi HC CAPITAL 5.08% 15SEP2027	-	Financial assets at fair value through profit or loss	485	15,664	-	15,664	
	MERCEDES-BENZ FIN NA 4.95% 30MAR2025	-	Financial assets at fair value through profit or loss	1,000	32,296	-	32,296	
	JPMORGAN CHASE & CO 4.323% 26APR2028	-	Financial assets at fair value through profit or loss	1,000	31,646	-	31,646	
	SK ON CO LTD 5.375% 11MAY2026	-	Financial assets at fair value through profit or loss	200	6,480	-	6,480	
	BANK OF AMERICA CORP 5.202% 25APR2029	-	Financial assets at fair value through profit or loss	500	16,202	-	16,202	
	ELECTRICITE DE FRANCE SA 5.7% 23MAY2028	-	Financial assets at fair value through profit or loss	1,000	32,729	-	32,729	
	KUBOTA CREDIT USA 4.958% 31MAY2026	-	Financial assets at fair value through profit or loss	1,000	32,192	-	32,192	
	CLP POWER HK FINANCE LTD 3.55% PERP	-	Financial assets at fair value through profit or loss	1,000	31,874	-	31,874	
	CHINA LIFE INSU OVERS/HK 5.35% 15AUG2033	-	Financial assets at fair value through profit or loss	1,000	32,697	-	32,697	
	ABN AMRO BANK NV 6.339% 18SEP2027	-	Financial assets at fair value through profit or loss	2,000	65,680	-	65,680	
	ABN AMRO BANK NV FLOAT 18SEP2027	-	Financial assets at fair value through profit or loss	3,000	98,586	-	98,586	
	BANCO SANTANDER SA 6.527% 07NOV2027	-	Financial assets at fair value through profit or loss	400	13,263	-	13,263	
	MACQUARIE BANK LTD FLOAT 07DEC2026	-	Financial assets at fair value through profit or loss	500	16,396	-	16,396	
	CREDIT AGRICOLE SA 6.251% 10JAN2035	-	Financial assets at fair value through profit or loss	300	9,814	-	9,814	
	AUST & NZ BANKING GROUP 5.731% 18SEP2034	-	Financial assets at fair value through profit or loss	1,000	32,265	-	32,265	
	E SUN COMMERCIAL BANK OF SYDNEY 0% 29NOV2024 CD	-	Financial assets at fair value through profit or loss	300	9,506	-	9,506	
	STANDARD CHARTERED PLC 5.688% 14MAY2028	-	Financial assets at fair value through profit or loss	2,000	64,930	-	64,930	

(Continued)

Holding Company	Type and Issuer of Marketable Securities	Relationship with Holding Company	Financial Statement Account	June 30, 2024				Note
				Shares/Units/ Face Amount	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
	BEAM SUNTORY INC 6.625% 15JUL2028	-	Financial assets at fair value through profit or loss	1,000	\$ 34,045	-	\$ 34,045	
	HYUNDAI CAPITAL AMERICA 5.4% 24JUN2031	-	Financial assets at fair value through profit or loss	1,000	32,221	-	32,221	
	HYUNDAI CAPITAL AMERICA FLOAT 24JUN2027	-	Financial assets at fair value through profit or loss	2,000	64,987	-	64,987	
	CREDIT SUISSE AG LONDON 7.73% 15JUN2028	-	Financial assets at fair value through profit or loss	7,000	12,469	-	12,469	
	SOCGEN 3.5 07/09/26 EMTN	-	Financial assets at fair value through profit or loss	10,000	44,326	-	44,326	
	SAIL 2004-10 M1	-	Financial assets at fair value through profit or loss	5,000	21,441	-	21,441	
	BOCAVI F 05/21/25 GMTN	-	Financial assets at fair value through profit or loss	500	16,316	-	16,316	
	WB 3.5 07/05/24	-	Financial assets at fair value through profit or loss	2,000	64,885	-	64,885	
	ABIBB 4.7 02/01/36 REGS	-	Financial assets at fair value through profit or loss	150	4,351	-	4,351	
	ORIX 5.277 03/04/27	-	Financial assets at fair value through other comprehensive income	1,500	32,138	-	32,138	
	VW 5.55 06/14/28	-	Financial assets at fair value through other comprehensive income	4,000	85,549	-	85,549	
	AIRNZ 5.7 05/25/26	-	Financial assets at fair value through other comprehensive income	3,500	75,324	-	75,324	
	QIBKQD F 02/07/25 EMTN	-	Financial assets at fair value through other comprehensive income	6,000	195,747	-	195,747	
	TAISEM 1 09/28/27	-	Financial assets at fair value through other comprehensive income	3,000	85,538	-	85,538	
	SINOPE 1.45 01/08/26	-	Financial assets at fair value through other comprehensive income	4,000	122,852	-	122,852	
	HYNMTR 1.3 01/08/26	-	Financial assets at fair value through other comprehensive income	1,000	30,449	-	30,449	
	HYNMTR 1.8 01/08/28	-	Financial assets at fair value through other comprehensive income	1,000	28,768	-	28,768	
	QNBK 1 3/8 01/26/26	-	Financial assets at fair value through other comprehensive income	3,000	91,180	-	91,180	
	FORCAY 3 3/8 04/22/25	-	Financial assets at fair value through other comprehensive income	6,720	214,112	-	214,112	
	SANUK 1.673 06/14/27	-	Financial assets at fair value through other comprehensive income	2,000	59,953	-	59,953	
	SMBCAC 2.3 06/15/28	-	Financial assets at fair value through other comprehensive income	3,000	86,445	-	86,445	
	HPQ 1.45 06/17/26	-	Financial assets at fair value through other comprehensive income	1,000	30,068	-	30,068	

(Continued)

Holding Company	Type and Issuer of Marketable Securities	Relationship with Holding Company	Financial Statement Account	June 30, 2024				Note
				Shares/Units/ Face Amount	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
	ARAMCO 1.602 06/17/26	-	Financial assets at fair value through other comprehensive income	2,000	\$ 60,492	-	\$ 60,492	
	HYNMTR 2 06/15/28	-	Financial assets at fair value through other comprehensive income	500	14,310	-	14,310	
	HYNMTR 1 1/2 06/15/26	-	Financial assets at fair value through other comprehensive income	500	15,026	-	15,026	
	NOMURA 1.653 07/14/26	-	Financial assets at fair value through other comprehensive income	3,000	89,990	-	89,990	
	MIZUHO 1.554 07/09/27	-	Financial assets at fair value through other comprehensive income	1,000	30,034	-	30,034	
	CJIANT 1 3/8 08/25/24	-	Financial assets at fair value through other comprehensive income	5,000	161,207	-	161,207	
	CMINLE 1 1/4 09/16/24	-	Financial assets at fair value through other comprehensive income	3,000	96,456	-	96,456	
	DANBNK 6.259 09/22/26	-	Financial assets at fair value through other comprehensive income	3,000	98,003	-	98,003	
	DNBNO 5.896 10/09/26	-	Financial assets at fair value through other comprehensive income	1,000	32,546	-	32,546	
	UBS 6.373 07/15/26	-	Financial assets at fair value through other comprehensive income	3,000	97,816	-	97,816	
	FUBBAN 4.08 01/09/25	-	Financial assets at fair value through other comprehensive income	25,000	111,117	-	111,117	
	NOMURA 3.25 09/15/25 EMTN	-	Financial assets at fair value through other comprehensive income	10,000	44,447	-	44,447	
	<u>Stock</u>							
	Power Assets Holdings Ltd	-	Financial assets at fair value through other comprehensive income	270	47,342	0.01	47,342	
	PCCW Solutions Limited	-	Financial assets at fair value through other comprehensive income	1,747	28,401	0.02	28,401	
	China Construction Bank Corporation	-	Financial assets at fair value through other comprehensive income	2,458	58,968	-	58,968	
	Lenovo Group Limited	-	Financial assets at fair value through other comprehensive income	1,568	71,844	0.01	71,844	
	CK Infrastructure Holdings Limited	-	Financial assets at fair value through other comprehensive income	252	46,206	0.01	46,206	
	Industrial and Commercial Bank of China Limited	-	Financial assets at fair value through other comprehensive income	2,706	52,204	-	52,204	
	BOC Hong Kong (Holdings) Limited	-	Financial assets at fair value through other comprehensive income	456	45,598	-	45,598	
	Bank of Communications Co., Ltd.	-	Financial assets at fair value through other comprehensive income	1,996	50,872	0.01	50,872	
	Far East Horizon Limited	-	Financial assets at fair value through other comprehensive income	959	20,256	0.02	20,256	

(Continued)

Holding Company	Type and Issuer of Marketable Securities	Relationship with Holding Company	Financial Statement Account	June 30, 2024				Note
				Shares/Units/ Face Amount	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Bank of China Limited	-	Financial assets at fair value through other comprehensive income	3,234	\$ 51,768	-	\$ 51,768	
	China Galaxy Securities Co., Ltd.	-	Financial assets at fair value through other comprehensive income	2,025	34,427	0.05	34,427	
	Horizon Construction Development Limited	-	Financial assets at fair value through profit or loss	178	1,108	5.55	1,108	
	<u>Fund</u> SAMSUNG NYSE FANG+ ETF	-	Financial assets at fair value through profit or loss	200	27,375	-	27,375	
	SAMSUNG BITCOIN FUTURES ACTIVE ETF	-	Financial assets at fair value through profit or loss	980	93,390	-	93,390	

Note: Foreign-currency amounts were translated to New Taiwan dollars at the exchange rates on the balance sheet date.

(Concluded)

## SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

## RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$300 MILLION OR 10% OF THE ISSUED CAPITAL

JUNE 30, 2024

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Year	Allowance for Bad Debts
					Amount	Action Taken		
SPH	Bank SinoPac	Subsidiary	\$ 3,174,369 (Note 1)	-	\$ -	-	\$ -	\$ -
Bank SinoPac	SPH	Parent company of Bank SinoPac	1,055,463 (Note 1)	-	-	-	-	-
SinoPac Securities	SPH	Parent company of SinoPac Securities	329,964 (Note 1)	-	-	-	-	-
SinoPac Securities	SinoPac Futures	Subsidiary of SinoPac Securities	492,234 (Note 1)	-	-	-	-	-
SinoPac Leasing	SPH	Parent company of SPL	306,666 (Note 1)	-	-	-	-	-
SinoPac Securities (Cayman)	SinoPac Securities (Asia)	Subsidiary of SinoPac Securities (Cayman)	973,953 (Note 2)	-	-	-	-	-

Note 1: The balance mainly included dividends receivable for earnings, linked-tax system receivable (booked as current income tax assets) and other related parties' receivables, which had been eliminated in the consolidated financial statements.

Note 2: The balance mainly included other receivable on financial lending, which had been eliminated in the consolidated financial statements.

## SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

INFORMATION ON INVESTED ENTERPRISES  
FOR THE SIX MONTHS ENDED JUNE 30, 2024  
(In Thousands of New Taiwan Dollars)

Investee Company	Location	Main Businesses and Products	Percentage of Ownership (%)	Carrying Amount	Investment Gains	Consolidated Investment				Note
						Shares	Imitated Shares	Total		
								Shares	Percentage of Ownership (%)	
<u>Financial</u>										
Bank SinoPac	Taiwan	Commercial bank, trust and foreign exchange services	100.00	\$ 173,263,485	\$ 9,720,346	9,699,251	-	9,699,251	100.00	Subsidiary
SinoPac Securities Corporation	Taiwan	Brokerage, dealing and underwriting of securities	100.00	35,558,630	2,907,719	1,621,224	-	1,621,224	100.00	Subsidiary
SinoPac Leasing Corporation	Taiwan	Leasing, installment sales and financing service	100.00	4,803,183	85,540	468,104	-	468,104	100.00	Subsidiary
SinoPac Venture Capital Corporation	Taiwan	Venture capital investment	100.00	3,086,907	321,618	250,000	-	250,000	100.00	Subsidiary
SinoPac Securities Investment Trust Co., Ltd	Taiwan	Securities investment trust, discretionary investment and investment consulting service	100.00	1,627,006	47,880	142,000	-	142,000	100.00	Subsidiary
Taiwan Depository and Clearing Corporation	Taiwan	Computerized book-entry operation for securities	0.08	46,357	-	6,018	-	6,018	0.92	

Note: The shares held mentioned above are expressed in thousands of shares.



## SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

## TOTAL BOOK VALUE OF MAXIMUM CREDIT RISK EXPOSURES FINANCIAL ASSETS

JUNE 30, 2024, DECEMBER 31, 2023 AND JUNE 30, 2023

(In Thousands of New Taiwan Dollars)

June 30, 2024	Principle				Allowance			The Adjustments Under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans	Total
	Stage 1 12-months ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-months ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL		
Discounts and loans									
Corporate banking	\$ 811,985,542	\$ 2,439,890	\$ 4,644,661	\$ 819,070,093	\$ 1,413,044	\$ 531,664	\$ 616,684	\$ 8,210,883	\$ 10,772,275
Consumer banking	720,200,544	4,550,317	1,390,866	726,141,727	141,701	211,541	276,001	9,208,240	9,837,483
Receivables									
Credit card receivable	23,562,412	323,032	608,694	24,494,138	3,290	6,189	25,102	119,916	154,497
Net accounts receivable - factoring (Note 1)	6,943,696	-	-	6,943,696	2,032	-	-	117,902	119,934
Other receivable	137,904,381	445,608	313,662	138,663,651	93,503	56,219	203,903	164,893	518,518
Other financial assets (Note 2)	3,453,012	68,908	195,069	3,716,989	21,085	18,054	117,839	-	156,978
Debt instrument at fair value through other comprehensive income	375,510,764	-	-	375,510,764	69,064	-	-	-	69,064
Investments in debt instruments at amortized cost	310,082,910	-	-	310,082,910	24,926	-	-	-	24,926

(Continued)

December 31, 2023	Principle				Allowance				
	Stage 1 12-months ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-months ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	The Adjustments Under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans	Total
Discounts and loans									
Corporate banking	\$ 745,247,088	\$ 2,669,069	\$ 3,093,181	\$ 751,009,338	\$ 2,050,693	\$ 483,054	\$ 607,417	\$ 6,906,949	\$ 10,048,113
Consumer banking	686,755,747	4,178,962	1,236,593	692,171,302	106,478	199,345	244,617	8,833,036	9,383,476
Receivables									
Credit card receivable	19,894,761	295,572	617,632	20,807,965	3,666	6,806	21,996	115,894	148,362
Net accounts receivable - factoring (Note 1)	11,243,996	-	-	11,243,996	9,510	-	-	174,113	183,623
Other receivable	94,592,068	208,053	451,640	95,251,761	90,422	21,119	336,494	132,774	580,809
Other financial assets (Note 2)	3,385,308	102,880	144,330	3,632,518	24,950	25,379	130,867	-	181,196
Debt instrument at fair value through other comprehensive income	348,640,784	-	-	348,640,784	41,996	-	-	-	41,996
Investments in debt instruments at amortized cost	303,570,486	-	-	303,570,486	23,807	-	-	-	23,807

June 30, 2023	Principle				Allowance				
	Stage 1 12-months ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-months ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	The Adjustments Under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans	Total
Discounts and loans									
Corporate banking	\$ 761,632,792	\$ 631,483	\$ 3,346,172	\$ 765,610,447	\$ 2,674,196	\$ 293,209	\$ 593,624	\$ 5,745,342	\$ 9,306,371
Consumer banking	654,119,623	4,147,767	1,087,451	659,354,841	107,290	170,998	202,838	8,379,567	8,860,693
Receivables									
Credit card receivable	20,890,773	270,217	643,198	21,804,188	3,194	4,508	23,707	122,057	153,466
Net accounts receivable - factoring (Note 1)	8,495,961	-	-	8,495,961	10,368	-	-	152,491	162,859
Other receivable	83,186,737	198,958	338,516	83,724,211	76,811	9,296	314,721	162,566	563,394
Other financial assets (Note 2)	2,738,740	22,547	134,425	2,895,712	26,266	5,449	114,411	-	146,126
Debt instrument at fair value through other comprehensive income	300,796,678	-	-	300,796,678	38,243	-	-	-	38,243
Investments in debt instruments at amortized cost	273,868,625	-	-	273,868,625	25,488	-	-	-	25,488

Note 1: Accounts receivable - factoring and accounts payable - factoring are offset and presented net.

Note 2: The amounts of other financial assets include short advances and non-performing receivables transferred other than loans, long-term lease receivables and installment.

(Concluded)

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

CHANGE IN ALLOWANCE FOR DISCOUNTS AND LOANS  
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023  
(In Thousands of New Taiwan Dollars)

For the Six Months Ended June 30, 2024	12-months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Non-purchased or Originated Credit-impaired Financial Assets)	Impairment in Accordance With IFRS 9	The Adjustments Under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans	Total
Balance, January 1	\$ 2,157,171	\$ 682,399	\$ 852,034	\$ 3,691,604	\$ 15,739,985	\$ 19,431,589
Changes due to financial instruments that have been identified at the beginning of the period:						
To lifetime ECL	(6,228)	748,064	(11,389)	730,447	-	730,447
From conversion to credit-impaired financial assets	(1,118)	(548,478)	614,137	64,541	-	64,541
To 12-month ECL	1,742	(169,973)	-	(168,231)	-	(168,231)
Derecognizing financial assets during the current period	(1,993,581)	(76,938)	(163,356)	(2,233,875)	-	(2,233,875)
Purchased or originated new financial assets	1,453,290	146,494	49,745	1,649,529	-	1,649,529
The adjustments under regulations governing the procedures for banking institutions to evaluate assets and deal with non-performing/non-accrual loans	-	-	-	-	1,745,115	1,745,115
Write-off	-	-	(560,069)	(560,069)	(163,851)	(723,920)
Changes in model/risk parameters	(106,198)	(42,443)	(37,793)	(186,434)	-	(186,434)
Effect of exchange rate changes and others	49,667	4,080	149,376	203,123	97,874	300,997
Balance, June 30	<u>\$ 1,554,745</u>	<u>\$ 743,205</u>	<u>\$ 892,685</u>	<u>\$ 3,190,635</u>	<u>\$ 17,419,123</u>	<u>\$ 20,609,758</u>

(Continued)

For the Six Months Ended June 30, 2023	12-months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Non-purchased or Originated Credit-impaired Financial Assets)	Impairment in Accordance With IFRS 9	The Adjustments Under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans	Total
Balance, January 1	\$ 2,456,571	\$ 287,198	\$ 723,491	\$ 3,467,260	\$ 14,145,225	\$ 17,612,485
Changes due to financial instruments that have been identified at the beginning of the period:						
To lifetime ECL	(7,920)	508,999	(14,736)	486,343	-	486,343
From conversion to credit-impaired financial assets	(86,064)	(166,098)	388,472	136,310	-	136,310
To 12-month ECL	2,006	(94,521)	(32,497)	(125,012)	-	(125,012)
Derecognizing financial assets during the current period	(1,647,632)	(50,984)	(34,088)	(1,732,704)	-	(1,732,704)
Purchased or originated new financial assets	1,978,801	5,675	22,915	2,007,391	-	2,007,391
The adjustments under regulations governing the procedures for banking institutions to evaluate assets and deal with non-performing/non-accrual loans	-	-	-	-	(14,450)	(14,450)
Write-off	-	-	(327,981)	(327,981)	(25,235)	(353,216)
Changes in model/risk parameters	84,195	(26,081)	(1,389)	56,725	-	56,725
Effect of exchange rate changes and others	1,529	19	72,275	73,823	19,369	93,192
Balance, June 30	<u>\$ 2,781,486</u>	<u>\$ 464,207</u>	<u>\$ 796,462</u>	<u>\$ 4,042,155</u>	<u>\$ 14,124,909</u>	<u>\$ 18,167,064</u>

(Concluded)

## SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

CHANGES IN ALLOWANCE FOR RECEIVABLES  
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023  
(In Thousands of New Taiwan Dollars)

For the Six Months Ended June 30, 2024	12-months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Non-purchased or Originated Credit-impaired Financial Assets)	Impairment in Accordance With IFRS 9	The Adjustments Under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans	Total
Balance, January 1	\$ 128,548	\$ 53,304	\$ 489,357	\$ 671,209	\$ 422,781	\$ 1,093,990
Changes due to financial instruments that have been identified at the beginning of the period:						
To lifetime ECL	(2,883)	27,327	(3,629)	20,815	-	20,815
From conversion to credit-impaired financial assets	(425)	(61,190)	115,799	54,184	-	54,184
To 12-month ECL	(1,588)	(493)	(25)	(2,106)	-	(2,106)
Derecognizing financial assets during the current period	(65,446)	(55,957)	(17,305)	(138,708)	-	(138,708)
Purchased or originated new financial assets	63,268	112,564	56,388	232,220	-	232,220
The adjustments under regulations governing the procedures for banking institutions to evaluate assets and deal with non-performing/non-accrual loans	-	-	-	-	48,463	48,463
Write-off	-	(946)	(307,241)	(308,187)	(76,542)	(384,729)
Changes in model/risk parameters	(3,975)	4,606	(649)	(18)	-	(18)
Effect of exchange rate changes and others	2,411	1,247	14,149	17,807	8,009	25,816
Balance, June 30	<u>\$ 119,910</u>	<u>\$ 80,462</u>	<u>\$ 346,844</u>	<u>\$ 547,216</u>	<u>\$ 402,711</u>	<u>\$ 949,927</u>

Note: The amounts of receivable include receivable and other financial assets shown in Table 6.

(Continued)

For the Six Months Ended June 30, 2023	12-months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Non-purchased or Originated Credit-impaired Financial Assets)	Impairment in Accordance With IFRS 9	The Adjustments Under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans	Total
Balance, January 1	\$ 105,146	\$ 16,009	\$ 431,538	\$ 552,693	\$ 393,951	\$ 946,644
Changes due to financial instruments that have been identified at the beginning of the period:						
To lifetime ECL	(655)	10,920	(3,493)	6,772	-	6,772
From conversion to credit-impaired financial assets	(145)	(14,795)	68,684	53,744	-	53,744
To 12-month ECL	1,022	(2,556)	(291)	(1,825)	-	(1,825)
Derecognizing financial assets during the current period	(46,250)	(8,587)	(19,776)	(74,613)	-	(74,613)
Purchased or originated new financial assets	59,213	11,765	36,598	107,576	-	107,576
The adjustments under regulations governing the procedures for banking institutions to evaluate assets and deal with non-performing/non-accrual loans	-	-	-	-	92,767	92,767
Write-off	-	(226)	(56,206)	(56,432)	(50,999)	(107,431)
Changes in model/risk parameters	(3,521)	4,928	(794)	613	-	613
Effect of exchange rate changes and others	1,829	1,795	(3,421)	203	1,395	1,598
Balance, June 30	<u>\$ 116,639</u>	<u>\$ 19,253</u>	<u>\$ 452,839</u>	<u>\$ 588,731</u>	<u>\$ 437,114</u>	<u>\$ 1,025,845</u>

Note: The amounts of receivable include receivable and other financial assets shown in Table 6.

(Concluded)

**TABLE 9****SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES****CHANGE IN ALLOWANCE FOR DEBT INSTRUMENT AT FAIR VALUE THROUGH OTHER  
COMPREHENSIVE INCOME****FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023****(In Thousands of New Taiwan Dollars)**

For the Six Months Ended June 30, 2024	Credit Rating			Total
	12-months ECL	Lifetime ECL - Not Credit Impaired	Lifetime ECL - Credit Impaired	
Balance January 1	\$ 41,996	\$ -	\$ -	\$ 41,996
Purchased new debt instrument	13,666	-	-	13,666
Derecognized	(5,044)	-	-	(5,044)
Changes in model/risk parameters	16,563	-	-	16,563
Effect of exchange rate changes and others	<u>1,883</u>	<u>-</u>	<u>-</u>	<u>1,883</u>
Balance June 30	<u>\$ 69,064</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,064</u>

For the Six Months Ended June 30, 2023	Credit Rating			Total
	12-months ECL	Lifetime ECL - Not Credit Impaired	Lifetime ECL - Credit Impaired	
Balance January 1	\$ 51,230	\$ -	\$ -	\$ 51,230
Purchased new debt instrument	1,307	-	-	1,307
Derecognized	(4,561)	-	-	(4,561)
Changes in model/risk parameters	(9,834)	-	-	(9,834)
Effect of exchange rate changes and others	<u>101</u>	<u>-</u>	<u>-</u>	<u>101</u>
Balance June 30	<u>\$ 38,243</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,243</u>

**TABLE 10****SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES****CHANGE IN ALLOWANCE FOR DEBT INSTRUMENT AT AMORTIZED COST  
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023****(In Thousands of New Taiwan Dollars)**

For the Six Months Ended June 30, 2024	Credit Rating			Total
	12-months ECL	Lifetime ECL - Not Credit Impaired	Lifetime ECL - Credit Impaired	
Balance January 1	\$ 23,807	\$ -	\$ -	\$ 23,807
Purchased new debt instrument	1,275	-	-	1,275
Derecognized	(2,120)	-	-	(2,120)
Changes in model/risk parameters	8,561	-	-	8,561
Effect of exchange rate changes and others	<u>(6,597)</u>	<u>-</u>	<u>-</u>	<u>(6,597)</u>
Balance June 30	<u>\$ 24,926</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,926</u>

For the Six Months Ended June 30, 2023	Credit Rating			Total
	12-months ECL	Lifetime ECL - Not Credit Impaired	Lifetime ECL - Credit Impaired	
Balance January 1	\$ 16,774	\$ -	\$ -	\$ 16,774
Purchased new debt instrument	9,013	-	-	9,013
Derecognized	(939)	-	-	(939)
Changes in model/risk parameters	(1,257)	-	-	(1,257)
Effect of exchange rate changes and others	<u>1,897</u>	<u>-</u>	<u>-</u>	<u>1,897</u>
Balance June 30	<u>\$ 25,488</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,488</u>



SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

RELATED-PARTY TRANSACTIONS  
FOR THE SIX MONTHS ENDED JUNE 30, 2024  
(In Thousands of New Taiwan Dollars)

Number (Note 1)	Company Name	Counterparty	Nature of Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% to Consolidated Net Revenue/Assets (Note 3)
0	SinoPac Financial Holdings	Bank SinoPac	a	Receivables, net	\$ 1,435,025	Note 4	0.05
		Bank SinoPac	a	Current income tax assets	1,739,327	Note 4	0.06
		Bank SinoPac	a	Payables	443	Note 4	-
		Bank SinoPac	a	Current income tax liabilities	1,055,020	Note 4	0.04
		SinoPac Securities	a	Current income tax assets	286,362	Note 4	0.01
		SinoPac Securities	a	Current income tax liabilities	330,260	Note 4	0.01
		SinoPac Securities	a	Other liabilities	251	Note 4	-
		SinoPac Leasing	a	Current income tax assets	15,801	Note 4	-
		SinoPac Leasing	a	Investments accounted for using equity method	57,101	Note 4	-
		SinoPac Leasing	a	Right-of-use assets, net	521,133	Note 4	0.02
		SinoPac Leasing	a	Current income tax liabilities	306,666	Note 4	0.01
		SinoPac Leasing	a	Lease liabilities	582,344	Note 4	0.02
		SinoPac Leasing	a	Interest expenses	13,882	Note 4	0.04
		SinoPac Leasing	a	Depreciation and amortization expense	23,169	Note 4	0.07
1	Bank SinoPac	SinoPac Financial Holdings	b	Receivables, net	443	Note 4	-
		SinoPac Financial Holdings	b	Current income tax assets	1,055,020	Note 4	0.04
		SinoPac Financial Holdings	b	Payables	1,435,025	Note 4	0.05
		SinoPac Financial Holdings	b	Current income tax liabilities	1,739,327	Note 4	0.06
		Bank SinoPac (China) Ltd.	c-1	Receivables, net	100,512	Note 4	-
		SinoPac Securities	c-1	Receivables, net	14,623	Note 4	-
		SinoPac Securities	c-1	Payables	9,688	Note 4	-
		SinoPac Securities	c-1	Deposits and remittances	3,818,727	Note 4	0.13
		SinoPac Securities	c-1	Service fee and commissions income, net (commissions and fee revenue)	116,457	Note 4	0.35
		SinoPac Securities	c-1	Service fee and commissions income, net (commissions and fee expense)	24,711	Note 4	0.08
		SinoPac Securities	c-1	Net other revenue other than interest income	8,979	Note 4	0.03
		SinoPac Securities	c-1	Other general and administrative expenses	120	Note 4	-
		SinoPac Securities Investment Service	c-1	Deposits and remittances	107,675	Note 4	-
		SinoPac Securities Venture Capital	c-1	Deposits and remittances	142,971	Note 4	-
		SinoPac Securities Investment Trust	c-1	Net other revenue other than interest income	4,950	Note 4	0.02
SinoPac Leasing	c-1	Receivables, net	182	Note 4	-		
SinoPac Leasing	c-1	Discounts and loans, net	400,000	Note 4	0.01		
SinoPac Leasing	c-1	Investments accounted for using equity method	47,029	Note 4	-		

(Continued)

Number (Note 1)	Company Name	Counterparty	Nature of Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% to Consolidated Net Revenue/Assets (Note 3)
		SinoPac Leasing SinoPac Leasing SinoPac Leasing SinoPac Leasing SinoPac Leasing SinoPac Capital International (HK)	c-1 c-1 c-1 c-1 c-1 c-1	Right-of-use assets, net Lease liabilities Interest income Interest expenses Depreciation and amortization expense Deposits and remittances	\$ 484,333 535,390 1,494 12,762 21,518 176,500	Note 4 Note 4 Note 4 Note 4 Note 4 Note 4	0.02 0.02 - 0.04 0.07 0.01
2	Bank SinoPac (China) Ltd.	Bank SinoPac SinoPac International Leasing	c-2 c-1	Payables Deposits and remittances	100,512 110,011	Note 4 Note 4	- -
3	SinoPac Securities	SinoPac Financial Holdings SinoPac Financial Holdings SinoPac Financial Holdings Bank SinoPac Bank SinoPac Bank SinoPac Bank SinoPac Bank SinoPac Bank SinoPac Bank SinoPac Bank SinoPac Bank SinoPac Bank SinoPac Bank SinoPac Bank SinoPac Bank SinoPac Bank SinoPac Bank SinoPac Bank SinoPac Bank SinoPac SinoPac Futures SinoPac Futures	b b b c-2 c-2 c-2 c-2 c-2 c-2 c-2 c-2 c-2 c-2 c-2 c-2 c-2 c-2 c-2 c-2 c-2 c-2 c-1 c-1	Current income tax assets Deferred income tax assets Current income tax liabilities Cash and cash equivalents, net Receivables, net Investments accounted for using equity method Other financial assets, net Right-of-use assets, net Payables Lease liabilities Interest expenses Service fee and commissions income, net (commissions and fee revenue) Net other revenue other than interest income Depreciation and amortization expense Other general and administrative expenses Other financial assets, net Receivables, net	329,964 547 286,362 2,613,168 9,688 308 1,205,560 26,230 14,623 26,522 170 86,680 2,792 7,237 9,293 1,077,600 472,301	Note 4 Note 4	0.01  0.01 0.09 - - 0.04 - - - - - 0.26 0.01 0.02 0.03 0.04 0.02
4	SinoPac Futures	SinoPac Securities SinoPac Securities SinoPac Securities (Asia) SinoPac Securities (Asia)	c-2 c-2 c-1 c-1	Payables Other financial liabilities Other financial assets, net Other financial liabilities	472,301 1,077,600 1,434,910 102,894	Note 4 Note 4 Note 4 Note 4	0.02 0.04 0.05 -
5	SinoPac Securities Investment Service	Bank SinoPac Bank SinoPac	c-2 c-2	Cash and cash equivalents, net Other financial assets, net	22,936 84,739	Note 4 Note 4	- -
6	SinoPac Securities Venture Capital	Bank SinoPac	c-2	Cash and cash equivalents, net	142,971	Note 4	-
7	SinoPac Securities (Cayman)	SinoPac Securities (Asia)	c-1	Receivables, net	973,953	Note 4	0.03
8	SinoPac Securities (Asia)	SinoPac Futures SinoPac Futures SinoPac Securities (Cayman)	c-2 c-2 c-2	Other financial liabilities Other financial assets, net Long-term borrowings	1,434,910 102,894 973,953	Note 4 Note 4 Note 4	0.05 - 0.03

(Continued)

Number (Note 1)	Company Name	Counterparty	Nature of Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% to Consolidated Net Revenue/Assets (Note 3)
9	SinoPac Securities Investment Trust	Bank SinoPac	c-2	Investments accounted for using equity method	\$ 52	Note 4	-
		Bank SinoPac	c-2	Right-of-use assets, net	41,355	Note 4	-
		Bank SinoPac	c-2	Lease liabilities	41,590	Note 4	-
		Bank SinoPac	c-2	Interest expenses	395	Note 4	-
		Bank SinoPac	c-2	Depreciation and amortization expense	4,738	Note 4	0.01
10	SinoPac Leasing	SinoPac Financial Holdings	b	Current income tax assets	306,666	Note 4	0.01
		SinoPac Financial Holdings	b	Current income tax liabilities	15,801	Note 4	-
		SinoPac Financial Holdings	b	Net other revenue other than interest income	32,941	Note 4	0.10
		Bank SinoPac	c-2	Payables	182	Note 4	-
		Bank SinoPac	c-2	Long-term borrowings	400,000	Note 4	0.01
		Bank SinoPac	c-2	Interest expenses	1,494	Note 4	-
		Bank SinoPac	c-2	Net other revenue other than interest income	30,252	Note 4	0.09
11	SinoPac International Leasing	Bank SinoPac (China) Ltd.	c-2	Cash and cash equivalents, net	110,011	Note 4	-
12	SinoPac Capital International (HK)	Bank SinoPac	c-2	Cash and cash equivalents, net	176,500	Note 4	0.01

Note 1: The parent company and subsidiaries are identified as follows:

- a. Parent company: 0.
- b. Subsidiaries are numbered in sequence from 1.

Note 2: Flow of transactions with related parties is as follows:

- a. From parent company to subsidiary.
- b. From subsidiary to parent company.
- c-1. Subsidiary A to subsidiary B.
- c-2. Subsidiary B to subsidiary A.

On the above transaction between parent company and subsidiaries, category a and c-1 of the related - party will post on the iXBRL based on the Taiwan Stock Exchange under letter No. 1030005380.

Note 3: In the computation of percentage of net income, if the amount is the ending balance of assets or liabilities, the accounts percentage will be the balance dividing the consolidated assets; if the amount is income or expense, the accounts percentage will be the amount dividing by the consolidated net revenues in the same year.

Note 4: On the transactions between the Company and related parties, the terms were similar to those for unrelated parties.

(Concluded)

**SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED**

**BALANCE SHEETS**

**JUNE 30, 2024, DECEMBER 31, 2023 AND JUNE 30, 2023**

**(In Thousands of New Taiwan Dollars)**

<b>ASSETS</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>	<b>LIABILITIES AND EQUITY</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
CASH AND CASH EQUIVALENTS	\$ 50,470	\$ 27,341	\$ 619,683	COMMERCIAL PAPERS ISSUED, NET	\$ 3,834,341	\$ 14,533,175	\$ 7,522,597
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	46,357	37,093	31,142	PAYABLES	9,534,302	290,288	7,575,199
RECEIVABLES, NET	1,435,481	1,435,124	1,435,525	CURRENT INCOME TAX LIABILITIES	4,669,781	3,271,659	3,486,047
CURRENT INCOME TAX ASSETS	2,182,989	1,358,867	1,570,650	CORPORATE BONDS PAYABLE	9,996,196	9,994,837	9,993,469
INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD, NET	218,339,211	213,649,133	198,045,286	PREFERRED STOCK LIABILITIES	18,437	18,437	18,437
PROPERTY AND EQUIPMENT, NET	23,813	23,328	24,423	PROVISIONS	61,711	64,484	62,976
RIGHT-OF-USE ASSETS, NET	531,577	560,680	586,416	LEASE LIABILITIES	592,912	618,066	639,172
INTANGIBLE ASSETS, NET	8,896	6,177	4,975	OTHER LIABILITIES	<u>26,920</u>	<u>25,421</u>	<u>22,465</u>
DEFERRED INCOME TAX ASSETS	12,126	12,671	12,360	Total liabilities	<u>28,734,600</u>	<u>28,816,367</u>	<u>29,320,362</u>
OTHER ASSETS, NET	<u>35,610</u>	<u>41,909</u>	<u>24,251</u>	EQUITY			
				Capital stock			
				Common stock	123,764,399	123,764,399	121,337,646
				Stock dividend to be distributed	3,094,110	-	2,426,753
				Total capital stock	<u>126,858,509</u>	<u>123,764,399</u>	<u>123,764,399</u>
				Capital surplus	<u>6,129,361</u>	<u>6,129,361</u>	<u>6,129,361</u>
				Retained earnings			
				Legal reserve	25,867,291	23,751,851	23,751,851
				Special reserve	5,641,534	14,684,030	14,684,030
				Unappropriated earnings	<u>35,552,901</u>	<u>25,164,031</u>	<u>14,128,651</u>
				Total retained earnings	<u>67,061,726</u>	<u>63,599,912</u>	<u>52,564,532</u>
				Other equity	<u>(6,117,666)</u>	<u>(5,157,716)</u>	<u>(9,423,943)</u>
				Total equity	<u>193,931,930</u>	<u>188,335,956</u>	<u>173,034,349</u>
<b>TOTAL</b>	<u>\$ 222,666,530</u>	<u>\$ 217,152,323</u>	<u>\$ 202,354,711</u>	<b>TOTAL</b>	<u>\$ 222,666,530</u>	<u>\$ 217,152,323</u>	<u>\$ 202,354,711</u>

**TABLE 13****SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED****STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	For the Three Months Ended		For the Six Months Ended	
	June 30		June 30	
	2024	2023	2024	2023
REVENUES				
Share of profit of subsidiaries for using equity method	\$ 6,000,446	\$ 5,459,665	\$ 13,083,103	\$ 10,350,990
Others	66,651	35,721	66,830	37,819
EXPENSES AND LOSSES				
Operating expenses	(152,643)	(146,904)	(271,403)	(258,932)
Others	<u>(141,063)</u>	<u>(90,945)</u>	<u>(223,018)</u>	<u>(154,029)</u>
PROFIT FROM CONTINUING OPERATIONS BEFORE TAX	5,773,391	5,257,537	12,655,512	9,975,848
INCOME TAX (EXPENSE) BENEFIT	<u>(499,135)</u>	<u>93,410</u>	<u>(470,143)</u>	<u>123,656</u>
NET INCOME	5,274,256	5,350,947	12,185,369	10,099,504
OTHER COMPREHENSIVE INCOME	<u>771,890</u>	<u>1,202,526</u>	<u>2,692,935</u>	<u>4,795,787</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 6,046,146</u>	<u>\$ 6,553,473</u>	<u>\$ 14,878,304</u>	<u>\$ 14,895,291</u>
BASIC EARNINGS PER SHARE	<u>\$0.43</u>	<u>\$0.43</u>	<u>\$0.98</u>	<u>\$0.84</u>
DILUTED EARNINGS PER SHARE	<u>\$0.43</u>	<u>\$0.43</u>	<u>\$0.98</u>	<u>\$0.84</u>

## SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED

STATEMENTS OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023  
(In Thousands of New Taiwan Dollars)

	Capital Stock			Capital Surplus	Retained Earnings				Exchange Differences on Translating of Foreign Operations	Other Equity			Total	Total Equity
	Common Stock	Stock Dividends to Be Distributed	Total		Legal Reserve	Special Reserve	Unappropriated Earnings	Total Retained Earnings		Unrealized Gains (Losses) on Financial Assets at Fair Value through Other Comprehensive Income	Changes in Fair Value of Financial Liability Attributable to Change in Credit Risk of Liability			
BALANCE AT JANUARY 1, 2023	\$ 113,837,646	\$ -	\$ 113,837,646	\$ 2,228,781	\$ 22,112,855	\$ 483,818	\$ 29,555,849	\$ 52,152,522	\$ (1,190,869)	\$ (12,962,698)	\$ (46,645)	\$ (14,200,212)	\$ 154,018,737	
Appropriation and distribution of retained earnings generated in 2022														
Legal reserve	-	-	-	-	1,638,996	-	(1,638,996)	-	-	-	-	-	-	
Special reserve	-	-	-	-	-	14,200,212	(14,200,212)	-	-	-	-	-	-	
Cash dividends - common stock	-	-	-	-	-	-	(7,280,259)	(7,280,259)	-	-	-	-	(7,280,259)	
Stock dividends - common stock	-	2,426,753	2,426,753	-	-	-	(2,426,753)	(2,426,753)	-	-	-	-	-	
Net income for the six months ended June 30, 2023	-	-	-	-	-	-	10,099,504	10,099,504	-	-	-	-	10,099,504	
Other comprehensive income for the six months ended June 30, 2023, net of income tax	-	-	-	-	-	-	-	-	(243,171)	5,039,456	(498)	4,795,787	4,795,787	
Total comprehensive income for the six months ended June 30, 2023	-	-	-	-	-	-	10,099,504	10,099,504	(243,171)	5,039,456	(498)	4,795,787	14,895,291	
Issuance of common stocks for cash	7,500,000	-	7,500,000	3,750,000	-	-	-	-	-	-	-	-	11,250,000	
Share-based payments	-	-	-	150,580	-	-	-	-	-	-	-	-	150,580	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	-	19,518	19,518	-	(19,518)	-	(19,518)	-	
BALANCE AT JUNE 30, 2023	<u>\$ 121,337,646</u>	<u>\$ 2,426,753</u>	<u>\$ 123,764,399</u>	<u>\$ 6,129,361</u>	<u>\$ 23,751,851</u>	<u>\$ 14,684,030</u>	<u>\$ 14,128,651</u>	<u>\$ 52,564,532</u>	<u>\$ (1,434,040)</u>	<u>\$ (7,942,760)</u>	<u>\$ (47,143)</u>	<u>\$ (9,423,943)</u>	<u>\$ 173,034,349</u>	
BALANCE AT JANUARY 1, 2024	\$ 123,764,399	\$ -	\$ 123,764,399	\$ 6,129,361	\$ 23,751,851	\$ 14,684,030	\$ 25,164,031	\$ 63,599,912	\$ (1,375,957)	\$ (3,739,488)	\$ (42,271)	\$ (5,157,716)	\$ 188,335,956	
Appropriation and distribution of retained earnings generated in 2023														
Legal reserve	-	-	-	-	2,115,440	-	(2,115,440)	-	-	-	-	-	-	
Special reserve reversed	-	-	-	-	-	(9,042,496)	9,042,496	-	-	-	-	-	-	
Cash dividends - common stock	-	-	-	-	-	-	(9,282,330)	(9,282,330)	-	-	-	-	(9,282,330)	
Stock dividends - common stock	-	3,094,110	3,094,110	-	-	-	(3,094,110)	(3,094,110)	-	-	-	-	-	
Net income for the six months ended June 30, 2024	-	-	-	-	-	-	12,185,369	12,185,369	-	-	-	-	12,185,369	
Other comprehensive income for the six months ended June 30, 2024, net of income tax	-	-	-	-	-	-	-	-	591,312	2,086,734	14,889	2,692,935	2,692,935	
Total comprehensive income for the six months ended June 30, 2024	-	-	-	-	-	-	12,185,369	12,185,369	591,312	2,086,734	14,889	2,692,935	14,878,304	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	-	3,652,885	3,652,885	-	(3,652,885)	-	(3,652,885)	-	
BALANCE AT JUNE 30, 2024	<u>\$ 123,764,399</u>	<u>\$ 3,094,110</u>	<u>\$ 126,858,509</u>	<u>\$ 6,129,361</u>	<u>\$ 25,867,291</u>	<u>\$ 5,641,534</u>	<u>\$ 35,552,901</u>	<u>\$ 67,061,726</u>	<u>\$ (784,645)</u>	<u>\$ (5,305,639)</u>	<u>\$ (27,382)</u>	<u>\$ (6,117,666)</u>	<u>\$ 193,931,930</u>	

**TABLE 15****SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED****STATEMENTS OF CASH FLOWS  
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023  
(In Thousands of New Taiwan Dollars)**

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit from continuing operations before tax	\$ 12,655,512	\$ 9,975,848
Adjustments for:		
Depreciation expense	32,402	31,939
Amortization expense	1,115	637
Interest expense	156,543	114,773
Interest income	(425)	(3,692)
Net change in other provisions	1	2
Share-based payments	-	424
Share of profit of subsidiaries for using equity method	(13,083,103)	(10,350,990)
Losses on disposal and retirement of property and equipment	12	-
Changes in operating assets and liabilities		
Increase in receivables	(342)	(320)
Decrease in other assets	6,520	19,544
(Decrease) increase in payables	(33,145)	101,564
(Decrease) increase in provisions for employee benefits	(2,774)	2,805
Increase in other liabilities	1,499	61
Interest received	189	3,397
Dividend received	11,076,696	1,206,289
Interest paid	(160,356)	(118,885)
Income tax refunded	<u>104,403</u>	<u>253,258</u>
Net cash generated from operating activities	<u>10,754,747</u>	<u>1,236,654</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	(6,196)	(4,259)
Acquisition of investments accounted for using equity method	-	(10,000,000)
Acquisition of intangible assets	<u>(1,434)</u>	<u>(1,383)</u>
Net cash used in investing activities	<u>(7,630)</u>	<u>(10,005,642)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Decrease in commercial papers issued	(10,698,834)	(1,890,137)
Issuance of common stock for cash	-	11,250,000
Payments of lease liabilities	<u>(25,154)</u>	<u>(23,902)</u>
Net cash (used in) generated from financing activities	<u>(10,723,988)</u>	<u>9,335,961</u>

(Continued)

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 23,129	\$ 566,973
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>27,341</u>	<u>52,710</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 50,470</u>	<u>\$ 619,683</u>

(Concluded)



**Bank SinoPac**  
**Balance Sheets**  
**June 30, 2024 and 2023**  
(In Thousands of New Taiwan Dollars)

<b>Assets</b>	<b>June 30</b>		<b>Liabilities</b>	<b>June 30</b>	
	<b>2024</b>	<b>2023</b>		<b>2024</b>	<b>2023</b>
Cash and cash equivalents	\$ 32,050,127	\$ 27,369,134	Deposits from the Central Bank and banks	\$ 76,427,020	\$ 74,654,755
Due from the Central Bank and call loans to banks	134,056,575	218,359,101	Financial liabilities at fair value through profit or loss	30,945,143	35,057,185
Financial assets at fair value through profit or loss	73,431,041	70,040,424	Securities sold under repurchase agreements	42,815,466	23,256,108
Financial assets at fair value through other comprehensive income	354,459,198	296,392,041	Payables	30,057,947	18,568,275
Investments in debt instruments at amortized cost	310,057,984	273,843,137	Current income tax liabilities	2,127,467	1,723,100
Securities purchased under resell agreements	67,452,992	52,458,865	Deposits and remittances	2,094,287,990	1,971,259,546
Receivables, net	66,931,279	55,725,895	Bank debentures	53,483,707	56,251,467
Current income tax assets	1,440,817	1,438,623	Other financial liabilities	48,354,859	41,744,628
Discounts and loans, net	1,480,191,006	1,360,647,102	Provisions	2,594,754	2,451,593
Investments accounted for using equity method	10,685,754	10,010,043	Lease liabilities	2,825,362	2,590,425
Other financial assets, net	8,246,161	5,040,926	Deferred income tax liabilities	1,093,956	1,050,982
Property and equipment, net	9,870,925	9,432,304	Other liabilities	5,592,032	3,965,547
Right-of-use assets, net	2,719,816	2,517,961	Total liabilities	<u>2,390,605,703</u>	<u>2,232,573,611</u>
Investment property, net	587,260	1,028,675			
Intangible assets, net	1,760,395	1,748,246	<b>Equity</b>		
Deferred income tax assets	1,528,427	1,316,907	Capital stock	103,781,984	96,992,508
Other assets, net	<u>11,040,694</u>	<u>5,474,544</u>	Capital surplus	15,581,418	15,581,418
			Retained earnings	64,275,083	57,246,342
			Other equity	<u>(7,733,737)</u>	<u>(9,549,951)</u>
			Total equity	<u>175,904,748</u>	<u>160,270,317</u>
<b>Total assets</b>	<u>\$ 2,566,510,451</u>	<u>\$ 2,392,843,928</u>	<b>Total liabilities and equity</b>	<u>\$ 2,566,510,451</u>	<u>\$ 2,392,843,928</u>

(Continued)

**Bank SinoPac**

**Statements of Comprehensive Income  
For the Six Months Ended June 30, 2024 and 2023  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Interest income	\$ 36,473,854	\$ 33,097,979
Interest expenses	<u>(25,352,183)</u>	<u>(21,532,574)</u>
Net interest revenue	11,121,671	11,565,405
Net revenues other than interest	<u>12,118,918</u>	<u>8,137,773</u>
Net revenue	23,240,589	19,703,178
Bad debts expense, commitment and guarantee liability provision	(1,202,353)	(754,561)
Operating expenses	<u>(10,196,047)</u>	<u>(9,036,950)</u>
Profit from continuing operations before tax	11,842,189	9,911,667
Income tax expense	<u>(2,125,901)</u>	<u>(1,630,204)</u>
Net income	9,716,288	8,281,463
Other comprehensive income	<u>1,382,949</u>	<u>4,027,809</u>
Total comprehensive income	<u>\$ 11,099,237</u>	<u>\$ 12,309,272</u>
Basic earnings per share	<u>\$1.00</u>	<u>\$0.88</u>

(Concluded)

**TABLE 16-2****SinoPac Securities****Balance Sheets  
June 30, 2024 and 2023****(In Thousands of New Taiwan Dollars)**

<b>Assets</b>	<b>June 30</b>	
	<b>2024</b>	<b>2023</b>
Current assets	\$ 120,109,827	\$ 81,732,088
Current financial assets at fair value through profit or loss	85,867,681	58,347,056
Current financial assets at fair value through other comprehensive income	10,640,968	10,309,092
Non-current financial assets at fair value through profit or loss	132,997	139,106
Non-current financial assets at fair value through other comprehensive income	6,930,655	5,649,203
Investments accounted for using equity method	9,488,510	8,428,551
Property and equipment, net	2,014,479	1,999,640
Right-of-use assets, net	464,066	566,169
Investment property, net	285,431	275,710
Intangible assets	342,147	367,195
Deferred income tax assets	484,053	430,113
Other non-current assets	<u>1,568,140</u>	<u>1,482,270</u>
Total assets	<u>\$ 238,328,954</u>	<u>\$ 169,726,193</u>
<b>Liabilities</b>		
Current liabilities	\$ 198,804,811	\$ 132,245,505
Current lease liabilities	156,387	172,409
Bonds payable	3,000,000	5,000,000
Deferred income tax liabilities	132,101	174,432
Non-current lease liabilities	313,699	395,798
Other non-current liabilities	<u>363,843</u>	<u>421,606</u>
Total liabilities	<u>202,770,841</u>	<u>138,409,750</u>
<b>Equity</b>		
Capital stock	16,647,986	16,212,238
Capital surplus	522,986	522,986
Retained earnings	16,730,914	14,150,566
Other equity	<u>1,656,227</u>	<u>430,653</u>
Total equity	<u>35,558,113</u>	<u>31,316,443</u>
Total liabilities and equity	<u>\$ 238,328,954</u>	<u>\$ 169,726,193</u>

(Continued)

**SinoPac Securities**

**Statements of Comprehensive Income  
For the Six Months Ended June 30, 2024 and 2023  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Revenue	\$ 8,688,765	\$ 5,659,886
Commission fees	(400,281)	(247,278)
Employee benefits expense	(3,026,797)	(2,299,031)
Share of profit of subsidiaries for using equity method	625,150	464,750
Other operating expenditure	(1,795,748)	(1,068,254)
Other operating expense	(1,206,672)	(992,366)
Other gains and losses	<u>185,576</u>	<u>139,013</u>
Profit from continuing operations before tax	3,069,993	1,656,720
Income tax (expense) benefit	<u>(162,154)</u>	<u>67,833</u>
Net income	2,907,839	1,724,553
Other comprehensive income	<u>1,098,132</u>	<u>770,907</u>
 Total comprehensive income	 <u>\$ 4,005,971</u>	 <u>\$ 2,495,460</u>
 Basic earnings per share	 <u>\$1.79</u>	 <u>\$1.06</u>

(Concluded)

**TABLE 16-3****SinoPac Venture Capital Corporation****Balance Sheets****June 30, 2024 and 2023****(In Thousands of New Taiwan Dollars)**

<b>Assets</b>	<b>June 30</b>	
	<b>2024</b>	<b>2023</b>
Current assets	\$ 236,993	\$ 351,938
Financial assets at fair value through profit or loss	2,254,191	1,972,357
Financial assets at fair value through other comprehensive income	469,313	429,509
Investments accounted for using equity method	79,896	93,952
Property and equipment, net	166	360
Right-of-use assets, net	10,218	1,190
Deferred income tax assets	67,290	100,910
Other non-current assets	<u>387</u>	<u>412</u>
Total assets	<u>\$ 3,118,454</u>	<u>\$ 2,950,628</u>
 <b>Liabilities</b>		
Payables	\$ 12,956	\$ 11,685
Current income tax liabilities	206	4,526
Deferred income tax liabilities	6,594	9,380
Provisions	1,568	1,819
Lease liabilities	<u>10,261</u>	<u>1,203</u>
Total liabilities	<u>31,585</u>	<u>28,613</u>
 <b>Equity</b>		
Capital stock	2,500,000	2,500,000
Capital surplus	2,105	2,105
Retained earnings	688,381	562,231
Other equity	<u>(103,617)</u>	<u>(142,321)</u>
Total equity	<u>3,086,869</u>	<u>2,922,015</u>
Total liabilities and equity	<u>\$ 3,118,454</u>	<u>\$ 2,950,628</u>

(Continued)

**SinoPac Venture Capital Corporation**

**Statements of Comprehensive Income**  
**For the Six Months Ended June 30, 2024 and 2023**  
**(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	<b>For the Six Months Ended</b>	
	<b>June 30</b>	
	<b>2024</b>	<b>2023</b>
Operating revenues	\$ 335,666	\$ 232,407
Operating expenses	<u>(16,292)</u>	<u>(16,076)</u>
Operating income	319,374	216,331
Nonoperating income and expenses	<u>2,503</u>	<u>1,444</u>
Profit from continuing operations before tax	321,877	217,775
Income tax expense	<u>(254)</u>	<u>(3,941)</u>
Net income	321,623	213,834
Other comprehensive income	<u>(18,354)</u>	<u>31,326</u>
Total comprehensive income	<u>\$ 303,269</u>	<u>\$ 245,160</u>
Basic earnings per share	<u>\$1.29</u>	<u>\$0.86</u>

(Concluded)

**TABLE 16-4****SinoPac Securities Investment Trust Co., Ltd.**

**Balance Sheets**  
**June 30, 2024 and 2023**  
(In Thousands of New Taiwan Dollars)

	<b>June 30</b>	
<b>Assets</b>	<b>2024</b>	<b>2023</b>
Current assets	\$ 646,318	\$ 638,070
Financial assets at fair value through profit or loss	9,596	8,751
Investments accounted for using equity method	1,009,563	975,850
Property and equipment, net	576	1,546
Right-of-use assets, net	42,555	8,375
Deferred income tax assets	5,508	12,495
Other non-current assets	<u>119,783</u>	<u>133,400</u>
 Total assets	 <u>\$ 1,833,899</u>	 <u>\$ 1,778,487</u>
 <b>Liabilities</b>		
Current liabilities	\$ 43,233	\$ 30,390
Lease liabilities	42,804	8,519
Deferred income tax liabilities	114,601	115,780
Other non-current liabilities	<u>6,494</u>	<u>4,378</u>
Total liabilities	<u>207,132</u>	<u>159,067</u>
 <b>Equity</b>		
Capital stock	1,420,000	1,420,000
Capital surplus	1,963	1,963
Retained earnings	222,067	243,922
Other equity	<u>(17,263)</u>	<u>(46,465)</u>
Total equity	<u>1,626,767</u>	<u>1,619,420</u>
 Total liabilities and equity	 <u>\$ 1,833,899</u>	 <u>\$ 1,778,487</u>

(Continued)

**SinoPac Securities Investment Trust Co., Ltd.**

**Statements of Comprehensive Income  
For the Six Months Ended June 30, 2024 and 2023  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Operating revenues	\$ 168,183	\$ 131,667
Operating expenses	<u>(159,700)</u>	<u>(127,961)</u>
Operating income	8,483	3,706
Share of profit of associates for using equity method	46,721	89,816
Nonoperating income and expenses, net	<u>6,066</u>	<u>5,444</u>
Profit from continuing operations before tax	61,270	98,966
Income tax expense	<u>(13,571)</u>	<u>(19,739)</u>
Net income	47,699	79,227
Other comprehensive income	<u>19,991</u>	<u>(22,971)</u>
 Total comprehensive income	 <u>\$ 67,690</u>	 <u>\$ 56,256</u>
 Basic earnings per share	 <u>\$0.34</u>	 <u>\$0.56</u>

(Concluded)



**TABLE 16-5**

**SinoPac Leasing Corporation**  
**Balance Sheets**  
**June 30, 2024 and 2023**  
(In Thousands of New Taiwan Dollars)

<b>Assets</b>	<b>June 30</b>	
	<b>2024</b>	<b>2023</b>
Current assets	\$ 2,907,075	\$ 2,781,098
Investments accounted for using equity method	5,922,380	5,474,704
Property and equipment, net	262,473	263,805
Right-of-use assets, net	158,486	31,220
Investment property, net	5,647,230	5,698,661
Intangible assets	1,829	2,122
Deferred income tax assets	110,860	103,933
Other non-current assets	1,459,664	1,031,572
Total assets	\$ 16,469,997	\$ 15,387,115
<b>Liabilities</b>		
Current liabilities	\$ 8,270,458	\$ 10,002,252
Lease liabilities - current	34,712	27,460
Current income tax liabilities	21,996	11,307
Long-term borrowings	2,250,000	-
Lease liabilities - non-current	497,817	374,778
Deferred income tax liabilities	201,272	144,770
Other non-current liabilities	452,305	313,850
Total liabilities	11,728,560	10,874,417
<b>Equity</b>		
Capital stock	4,681,044	4,681,044
Capital surplus	3,668	3,668
Retained earnings	147,169	99,798
Other equity	(90,444)	(271,812)
Total equity	4,741,437	4,512,698
Total liabilities and equity	\$ 16,469,997	\$ 15,387,115

(Continued)

**SinoPac Leasing Corporation**

**Statements of Comprehensive Income  
For the Six Months Ended June 30, 2024 and 2023  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	<b>For the Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Operating revenues	\$ 255,185	\$ 242,008
Operating costs	(185,388)	(174,633)
Provision of bad debts expenses	(14,610)	(19,360)
Operating expenses	<u>(121,863)</u>	<u>(103,122)</u>
Operating loss	(66,676)	(55,107)
Nonoperating income and expenses	<u>165,585</u>	<u>108,118</u>
Profit for continuing operations before tax	98,909	53,011
Income tax expense	<u>(17,453)</u>	<u>(10,513)</u>
Net income	81,456	42,498
Other comprehensive income	<u>200,952</u>	<u>(8,603)</u>
 Total comprehensive income	 <u>\$ 282,408</u>	 <u>\$ 33,895</u>
 Basic earnings per share	 <u>\$0.17</u>	 <u>\$0.09</u>

(Concluded)

**SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES****PUBLIC ANNOUNCEMENTS PRESCRIBED IN ARTICLE 46 OF THE FINANCIAL HOLDING COMPANY ACT****JUNE 30, 2024 and 2023**

Credit extensions, guarantees or other transactions made by the Company and its subsidiaries with the same person, the same related person or the same affiliate as of June 30, 2024 and 2023 are summarized as follows:

Name	June 30, 2024	
	Aggregate Amount of Credit Extensions, Guarantees or Other Transactions	% to Financial Holding Company's Net Worth
1. With the same person:		
Central Bank of the Republic of China (Taiwan)	\$ 315,295,208	162.58
FANNIE MAE	27,271,638	14.06
FREDDIE MAC	26,484,134	13.66
National Treasury Administration, Ministry of Finance	18,034,611	9.30
Agricultural Bank of Taiwan	17,501,246	9.02
The Hongkong and Shanghai Banking Corporation Limited	15,911,180	8.20
Union Bank of Taiwan	13,928,509	7.18
Cathay Financial Holdings Co., Ltd.	11,979,463	6.18
Taiwan Semiconductor Manufacturing Co., Ltd.	11,815,212	6.09
Taiwan Power Company	9,910,414	5.11
USA	9,777,270	5.04
REPUBLIC OF JAPAN	9,374,673	4.83
International Bills Finance Corporation	8,734,134	4.50
China Development Bank	8,399,010	4.33
BPCE	8,387,202	4.32
HUA NAN FINANCIAL HOLDINGS CO., LTD.	8,346,997	4.30
COMMONWEALTH BANK OF AUSTRALIA	8,069,014	4.16
MEGA BILLS FINANCE CO., LTD.	6,938,780	3.58
Yuanta Securities Investment Trust Co., Ltd.	6,850,982	3.53
Westpac Banking Corporation	6,770,725	3.49
Australia and New Zealand Banking Group Limited	6,643,764	3.43
China Bills Finance Corporation	6,554,094	3.38
Macquarie Bank Ltd.	6,505,918	3.35
National Australia Bank Limited	6,465,424	3.33
THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.	6,034,514	3.11
Bank of Panhsin	5,811,848	3.00
Catcher Technology Co., LTD.	5,265,341	2.72
MACQUARIE GROUP LTD	5,259,364	2.71

(Continued)

**June 30, 2024**

Name	Aggregate Amount of Credit Extensions, Guarantees or Other Transactions	% to Financial Holding Company's Net Worth
GINNIE MAE	\$ 5,197,530	2.68
QNB FINANCE LTD	5,187,193	2.67
Taiwan Cooperative Financial Holding Co., Ltd.	4,914,521	2.53
ABU DHABI COMMERCIAL BANK P.J.S.C.	4,805,630	2.48
Export-Import Bank of Korea	4,736,217	2.44
First Abu Dhabi Bank	4,732,974	2.44
King's Town Construction Co., LTD.	4,717,250	2.43
BANCO SANTANDER CHILE	4,657,376	2.40
WELLS FARGO & COMPANY	4,640,792	2.39
PAO SHIN GARDEN TOOLS CO., LTD.	4,487,000	2.31
SAUDI INTERNATIONAL BOND	4,296,612	2.22
HONG KONG	4,070,068	2.10
The Hong Kong Mortgage Corporation Limited	3,896,193	2.01
SOCIETE GENERALE	3,876,247	2.00
Hon Hai Precision Industry Co., Ltd.	3,863,240	1.99
AUO Corporation	3,774,848	1.95
COOPERATIEVE CENTRALE		
RAIFFEISEN-BOERENLEENBANK B.A.	3,726,672	1.92
YUAN LIH CONSTRUCTIONS CO., LTD.	3,643,400	1.88
KOREA EXPRESSWAY CORP	3,605,758	1.86
Emirates NBD Bank PJSC	3,572,763	1.84
BANQUE FED CRED MUTUEL	3,544,036	1.83
Cathay Securities Investment Trust Co., LTD	3,445,793	1.78
CITIBANK NATIONAL ASSOCIATION	3,429,256	1.77
DAH CHUNG BILLS FINANCE CORP.	3,393,501	1.75
Goldman Sachs Group Inc.	3,340,809	1.72
MORGAN STANLEY	3,290,088	1.70
Agricultural Development Bank of China	3,274,469	1.69
BARCLAYS BANK PLC	3,244,823	1.67
CHINA METAL PRODUCTS CO., LTD.	3,204,217	1.65
Standard Chartered Bank	3,002,326	1.55

2. With the same related person:

XX Tsai	8,832,765	4.55
XX Cheng	7,074,076	3.65
XX Chung	7,013,245	3.62
XX Tsai	5,665,349	2.92
XX Lee	3,609,773	1.86
XX Wang	3,496,749	1.80
XX Tsai	3,349,354	1.73
XX Chang	3,188,599	1.64
XX Chao	3,144,762	1.62

(Continued)

**June 30, 2024**

<b>Name</b>	<b>Aggregate Amount of Credit Extensions, Guarantees or Other Transactions</b>	<b>% to Financial Holding Company's Net Worth</b>
3. With the same affiliate:		
Cathay Financial Holdings Group	\$ 22,075,049	11.38
HSBC Group	18,051,922	9.31
Chailease Group	15,280,023	7.88
TSMC Group	14,528,660	7.49
Union Group	14,517,830	7.49
Macquarie Group	11,765,893	6.07
Fubon Group	11,442,647	5.90
Hon Hai Group	11,089,090	5.72
Yuanta Financial Holding Group	10,964,722	5.65
IBF Financial Holdings Group	10,946,980	5.64
AUO Group	10,573,041	5.45
Kinpo Group	10,172,645	5.25
Far Eastern Group	9,980,432	5.15
Hua Nan Financial Holdings Group	9,535,765	4.92
King's Town Group	9,296,402	4.79
Phoenix Property Group	9,130,720	4.71
Taishin Financial Holding Group	8,918,633	4.60
China Development Bank Group	8,663,456	4.47
Yulon Motor Group	8,562,492	4.42
BPCE Group	8,506,079	4.39
NAB Group	8,498,020	4.38
Mega Holdings Group	8,421,811	4.34
Highwealth Group	7,771,342	4.01
Taiwan Cooperative Financial Holding Group	7,524,792	3.88
ANZ Group	7,457,803	3.85
CHING JIA CONSTRUCTION Group	6,966,467	3.59
SanDi Group	6,744,742	3.48
O-Bank Group	6,653,349	3.43
Charoen Pokphand Group	6,311,346	3.25
BANK OF PANHSIN Group	6,289,655	3.24
BPEA FUND VII&VIII Group	6,178,392	3.19
Formosa Plastics Group	6,103,163	3.15
Hiyes International Group	5,908,889	3.05
HD Renewable Energy Group	5,628,381	2.90
Banco Santander SA Group	5,611,311	2.89
Baolu Construction Group	5,482,390	2.83
Hotai Motor Group	5,477,326	2.82
MiTAC-SYNNEX Group	5,411,171	2.79
Gaw Capital Partners Group	5,399,334	2.78
CTCI Group	5,165,212	2.66

(Continued)

<b>June 30, 2024</b>		
<b>Name</b>	<b>Aggregate Amount of Credit Extensions, Guarantees or Other Transactions</b>	<b>% to Financial Holding Company's Net Worth</b>
Chengyou Group	\$ 5,079,193	2.62
CMP Group	4,929,173	2.54
Wells Fargo & Company Group	4,880,895	2.52
Ruentex Financial Group	4,865,757	2.51
BCP Group	4,785,414	2.47
Crédit Agricole CIB Group	4,711,200	2.43
Citigroup Inc.,	4,702,277	2.42
Standard Chartered Group	4,678,727	2.41
LUXSHARE-ICT Group	4,579,010	2.36
RGE Group	4,527,895	2.33
TA YA ELECTRIC WIRE & CABLE Group	4,505,847	2.32
CTBC Financial Holding Group	4,345,660	2.24
UNI-PRESIDENT Group	4,334,523	2.24
WT Group	4,246,415	2.19
Chung Yuet Construction Group	4,203,533	2.17
YAGEO Group	4,059,648	2.09
J&V Energy Group	3,918,575	2.02
YUANLIH Group	3,673,400	1.89
CLEVO Group	3,632,373	1.87
Shinhan Financial Group	3,595,281	1.85
Jihsunlease Group	3,547,347	1.83
FOXLINK Group	3,533,188	1.82
BNP Group	3,523,403	1.82
Grand River D. Group	3,515,890	1.81
Wisdom Marine Group	3,499,252	1.80
Barclay Group	3,427,011	1.77
AGEL Group	3,412,819	1.76
Taiwan Cement Group	3,358,131	1.73
GOLDMAN SACHS Group	3,348,324	1.73
MORGAN STANLEY Group	3,314,406	1.71
Chenya Energy Group	3,284,200	1.69
CITIC CAPITAL Group	3,229,423	1.67
SABRINA Group	3,203,745	1.65
TOYOTA Group	3,154,484	1.63
First Financial Holding Group	3,049,599	1.57

(Concluded)

**June 30, 2023**

Name	Aggregate Amount of Credit Extensions, Guarantees or Other Transactions	% to Financial Holding Company's Net Worth
1. With the same person:		
Central Bank of the Republic of China (Taiwan)	\$ 228,595,092	132.11
National Treasury Administration, Ministry of Finance	38,921,160	22.49
FANNIE MAE	27,814,049	16.07
FREDDIE MAC	26,947,973	15.57
International Bills Finance Corporation	15,503,717	8.96
Taiwan Power Company	14,917,009	8.62
China Bills Finance Corporation	14,836,022	8.57
China Development Bank	11,704,585	6.76
Union Bank of Taiwan	10,267,676	5.93
MEGA BILLS FINANCE CO., LTD.	9,037,889	5.22
Agricultural Bank of Taiwan	8,491,450	4.91
BPCE	8,488,014	4.91
COMMONWEALTH BANK OF AUSTRALIA	8,134,000	4.70
Taiwan Cooperative Financial Holding Co., Ltd.	8,047,784	4.65
Taiwan Semiconductor Manufacturing Co., Ltd.	7,807,758	4.51
Cathay Financial Holdings Co., Ltd.	7,547,341	4.36
First Abu Dhabi Bank	7,351,703	4.25
National Australia Bank Limited	6,846,367	3.96
Westpac Banking Corporation	6,834,623	3.95
MACQUARIE GROUP LTD	6,247,762	3.61
HUA NAN FINANCIAL HOLDINGS CO., LTD.	6,030,406	3.49
THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.	6,030,366	3.49
Export-Import Bank of Korea	5,869,986	3.39
REPUBLIC OF JAPAN	5,775,594	3.34
GINNIE MAE	5,327,086	3.08
Macquarie Bank Ltd.	5,307,524	3.07
Synnex Technology International Corporation	5,282,785	3.05
Wistron Corporation	5,074,126	2.93
Australia and New Zealand Banking Group Limited	4,987,967	2.88
Emirates NBD Bank PJSC	4,790,749	2.77
BARCLAYS BANK PLC	4,681,314	2.71
Goldman Sachs Group Inc.	4,607,461	2.66
HONG KONG	4,604,514	2.66
Yuanta Securities Investment Trust Co., Ltd.	4,579,078	2.65
USA	4,509,286	2.61
Mega Financial Holding Company Ltd.	4,487,910	2.59
PAO SHIN GARDEN TOOLS CO., LTD.	4,487,000	2.59
DAH CHUNG BILLS FINANCE CORP.	4,159,265	2.40
ABU DHABI COMMERCIAL BANK P.J.S.C.	4,134,618	2.39
Standard Chartered Bank	4,117,854	2.38
King's Town Bank Co., Ltd.	4,094,076	2.37

(Continued)

**June 30, 2023**

Name	Aggregate Amount of Credit Extensions, Guarantees or Other Transactions	% to Financial Holding Company's Net Worth
First Financial Holding Co., Ltd.	\$ 4,044,696	2.34
MALAYAN BANKING BHD	3,892,169	2.25
HOTAI FINANCE CO., LTD.	3,823,562	2.21
YUAN LIH CONSTRUCTIONS CO., LTD.	3,803,000	2.20
Fubon Financial Holdings Co., Ltd.	3,788,521	2.19
Chailease Finance Co., Ltd.	3,528,704	2.04
The Hong Kong Mortgage Corporation Limited	3,510,862	2.03
AUO Corporation	3,481,499	2.01
King's Town Construction Co., LTD.	3,324,750	1.92
CHINA METAL PRODUCTS CO., LTD.	3,227,638	1.87
Korea Development Bank	3,159,075	1.83
CK HUTCHISON INTERNATIONAL 17 II LTD	3,157,288	1.82
Catcher Technology Co., LTD.	3,145,522	1.82
WELLS FARGO & COMPANY	3,142,252	1.82
KEB HANA BANK	3,023,349	1.75
2. With the same related person:		
XX Tsai	7,712,765	4.46
XX Tsai	7,203,573	4.16
XX Chung	6,075,773	3.51
XX Cheng	5,086,433	2.94
XX Chen	3,979,719	2.30
XX Wang	3,655,610	2.11
XX Tsai	3,117,556	1.80
3. With the same affiliate:		
IBF Financial Holdings Group	17,652,355	10.20
Far Eastern Group	16,337,496	9.44
Cathay Financial Holdings Group	16,105,490	9.31
Chailease Group	15,396,920	8.90
O-Bank Group	14,849,005	8.58
Mega Holdings Group	14,156,153	8.18
China Development Bank Group	12,861,579	7.43
Fubon Group	12,807,358	7.40
Macquarie Group	11,595,414	6.70
Hon Hai Group	11,439,655	6.61
King's Town Group	11,404,122	6.59
Kinpo Group	10,738,794	6.21
Union Group	10,467,676	6.05
TSMC Group	10,282,216	5.94
AUO Group	9,794,779	5.66

(Continued)



**June 30, 2023**

Name	Aggregate Amount of Credit Extensions, Guarantees or Other Transactions	% to Financial Holding Company's Net Worth
Phoenix Property Group	\$ 9,365,876	5.41
Taiwan Cooperative Financial Holding Group	9,178,726	5.30
Taishin Financial Holding Group	9,140,883	5.28
BPCE Group	8,880,669	5.13
Yulon Motor Group	7,550,928	4.36
Yuanta Financial Holding Group	7,124,738	4.12
Hua Nan Financial Holdings Group	7,219,259	4.17
Formosa Plastics Group	7,049,563	4.07
Wistron Group	6,686,357	3.86
MiTAC-SYNNEX Group	6,638,901	3.84
Charoen Pokphand Group	6,563,447	3.79
BPEA FUND VII&VIII Group	6,306,715	3.64
Hiyes International Group	6,237,650	3.60
SanDi Group	6,130,233	3.54
Hotai Motor Group	6,057,402	3.50
CMP Group	5,963,978	3.45
Standard Chartered Group	5,494,115	3.18
ANZ Group	5,472,598	3.16
Baolu Construction Group	5,457,000	3.15
Ruentex Financial Group	5,188,776	3.00
First Financial Holding Group	5,140,635	2.97
Barclay Group	5,046,829	2.92
Chengyou Group	4,499,262	2.60
CTBC Financial Holding Group	4,380,407	2.53
CITIC Fund III & IV Group	4,337,431	2.51
LUXSHARE-ICT Group	4,307,849	2.49
Highwealth Group	4,271,163	2.47
TA YA ELECTRIC WIRE & CABLE Group	4,187,662	2.42
HD Renewable Energy Group	4,108,453	2.37
China Development Financial Holding Group	4,073,093	2.35
Walsin Lihwa Group	4,048,078	2.34
UNI-PRESIDENT Group	3,987,176	2.30
CTCI Group	3,976,876	2.30
HSBC Group	3,945,233	2.28
Gaw Capital Partners Group	3,873,738	2.24
ASE Group	3,737,592	2.16
Wells Fargo & Company Group	3,725,170	2.15
PTT Group	3,667,227	2.12
BNP Group	3,580,387	2.07
Banco Santander SA Group	3,466,542	2.00
WPG Holdings Group	3,440,504	1.99
Wisdom Marine Group	3,414,609	1.97
Grand River D. Group	3,385,148	1.96

(Continued)

<b>June 30, 2023</b>		
<b>Name</b>	<b>Aggregate Amount of Credit Extensions, Guarantees or Other Transactions</b>	<b>% to Financial Holding Company's Net Worth</b>
J&V Energy Group	\$ 3,257,307	1.88
Crédit Agricole CIB Group	3,256,429	1.88
Shin Kong Group	3,223,676	1.86
MORGAN STANLEY Group	3,212,880	1.86
BCP Group	3,203,463	1.85
SoftBank Group	3,196,856	1.85
CHING JIA CONSTRUCTION Group	3,195,000	1.85
BANK OF PANHSIN Group	3,170,394	1.83
Yong Jing Group	3,151,244	1.82
Jihsunlease Group	3,092,431	1.79
LCY Chemical Group	3,038,526	1.76
FOXLINK Group	3,030,078	1.75
Chenya Energy Group	3,017,354	1.74
Leadsun Group	3,008,834	1.74
Citigroup Inc.,	3,000,698	1.73

(Concluded)

**SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES**

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE SIX MONTHS ENDED JUNE 30, 2024  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2024	Net Income (Loss) of the Investment (Note 2)	Percentage of Ownership (%)	Equity in the Earnings (Losses) (Note 2)	Carrying Value (Note 2)	Accumulated Inward Remittance of Earnings
					Outflow	Inflow						
Golden Trust SinoPac Fund Management Co., Ltd.	Fund raising and sale, asset management business approved by CSRC	\$ 888,934	a	\$ 435,578	\$ -	\$ -	\$ 435,578	\$ 95,348	49.00	\$ 46,721	\$ 1,009,563	\$ 107,453
Telexpress (Shanghai) Co., Ltd.	Management consultant	45,686	b	15,549	-	-	15,549	601	34.20	-	15,549	-
Yangzhou Brightman International Co., Ltd.	Panel thinning	631,974	b	75,667	-	-	75,667	-	11.69	-	75,667	-
CGK Zhongshan Co., Ltd.	Cover glass	259,721	b	12,986	-	-	12,986	(1,360)	3.52	-	12,986	-
CGK Shenzhen Co., Ltd.	Cover glass	20,789	b	1,047	-	-	1,047	(6,116)	3.52	-	1,047	-
StreetVoice International Ltd.	Design of software and service for computer system integration	101,638	b	1,792	-	-	1,792	24,343	2.64	-	1,792	-
Transound Electronics Co., Ltd.	Dynamic receiver, dynamic speaker, SMD, Array, MEMS ECM microphone, earphone module, earphone, headphone	230,893	b	47,043	-	-	47,043	11,987	4.58	-	47,043	-
SinoPac International Leasing Corp.	Leasing and financing of machinery equipment	1,764,914	a	1,764,914	-	-	1,764,914	9,037	100.00	9,037	2,126,546	-
Bank SinoPac (China) Ltd.	Commercial bank	10,514,501	a	10,514,501	-	-	10,514,501	221,310	100.00	220,464	10,604,825	-
SinoPac Financial Consulting (Shanghai) Ltd.	Business management consulting, investment consulting, business intelligence consulting	64,930	a	64,930	-	-	64,930	615	100.00	615	28,980	-

Accumulated Investment in Mainland China as of June 30, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Limit on Investment
\$ 12,934,007 (US\$ 350,617) (CNY 349,000)	\$ 12,934,007 (US\$ 350,617) (CNY 349,000)	\$ 125,439,137

Note 1: The three ways of investment in this form are shown as below:

- a. Investment in Mainland China directly.
- b. Reinvests in the Mainland through third-country companies.
- c. Others.

Note 2: Above figures have not been audited by independent certified public accountants, except for Golden Trust SinoPac Fund Management Co., Ltd., SinoPac International Leasing Corp., Bank SinoPac (China) Ltd. and SinoPac Financial Consulting (Shanghai) Ltd. which were audited by independent certified public accountants and prepared in conformity with IFRS Accounting Standards.

Note 3: Subsidiary invested in Telexpress (Shanghai) Co., Ltd. via Telexpress Corp.

Note 4: Subsidiary invested in Yangzhou Brightman International Co., Ltd. via Brightman Optoelectronics (Cayman) Co., Ltd.

Note 5: Subsidiary invested in CGK Zhongshan Co., Ltd. and CGK Shenzhen Co., Ltd. via CGK International Co., Ltd.

Note 6: Subsidiary invested in StreetVoice International Ltd. via Neutron Innovation (BVI) Limited.

Note 7: Subsidiary invested in Dong Guan Transound Electronics Co., Ltd. via Transound Electronics Co., Ltd.

Note 8: Foreign currencies are translated to N.T. dollars at the current rate on the date of balance sheet, only the gains or losses from investments are translated at the current period average rate.