

**SinoPac Financial Holdings Company
Limited and Subsidiaries**

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

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
SinoPac Financial Holdings Company Limited

Introduction

We have reviewed the accompanying consolidated balance sheets of SinoPac Financial Holdings Company Limited and its subsidiaries (collectively referred to as the Group) as of September 30, 2024 and 2023 and the related consolidated statements of comprehensive income, changes in equity and cash flows for the nine months ended September 30, 2024 and 2023 and related notes, including a summary of significant accounting policies (collectively referred to as 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 authority, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the financial position of the Group as at September 30, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2024 and 2023 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 authority, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 22, 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 review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' review 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' review report and consolidated financial statements shall prevail.

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	%	Amount	%	Amount	%
CASH AND CASH EQUIVALENTS, NET (Notes 4, 6 and 45)	\$ 45,062,754	2	\$ 30,644,456	1	\$ 31,804,498	1
DUE FROM THE CENTRAL BANK AND CALL LOANS TO BANKS, NET (Notes 7 and 45)	188,248,065	6	184,050,320	7	174,154,417	6
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8, 14 and 45)	152,390,183	5	149,883,920	5	154,122,048	6
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Notes 4, 9, 45 and 46)	368,598,205	12	374,874,958	14	345,622,025	13
INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST (Notes 4, 10 and 46)	319,054,299	10	303,546,679	11	302,058,548	11
SECURITIES PURCHASED UNDER RESELL AGREEMENTS (Notes 4, 11 and 45)	109,052,386	4	77,919,383	3	68,655,912	3
RECEIVABLES, NET (Notes 4, 12 and 45)	175,621,084	6	128,711,892	5	124,614,846	5
CURRENT INCOME TAX ASSETS (Notes 4, 33 and 45)	387,169	-	269,417	-	581,456	-
DISCOUNTS AND LOANS, NET (Notes 4, 5, 13, 45 and 46)	1,598,389,040	52	1,423,468,362	51	1,436,103,087	52
INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (Notes 4 and 15)	1,119,742	-	1,016,351	-	1,130,676	-
OTHER FINANCIAL ASSETS, NET (Notes 4, 16, 45 and 46)	62,878,050	2	44,463,965	2	46,182,444	2
INVESTMENT PROPERTY, NET (Notes 4, 17, 45 and 46)	2,138,357	-	2,267,321	-	2,271,836	-
PROPERTY AND EQUIPMENT, NET (Notes 4, 18, 45 and 46)	13,519,120	-	13,248,648	-	13,179,873	-
RIGHT-OF-USE ASSETS, NET (Notes 4, 19, 45 and 46)	4,006,859	-	3,720,343	-	3,838,766	-
INTANGIBLE ASSETS, NET (Notes 4, 20 and 45)	2,405,172	-	2,442,924	-	2,390,818	-
DEFERRED INCOME TAX ASSETS (Notes 4 and 33)	2,432,205	-	2,404,567	-	2,049,981	-
OTHER ASSETS, NET (Notes 4, 21 and 45)	<u>35,021,835</u>	<u>1</u>	<u>28,558,041</u>	<u>1</u>	<u>26,995,339</u>	<u>1</u>
TOTAL	<u>\$ 3,080,324,525</u>	<u>100</u>	<u>\$ 2,771,491,547</u>	<u>100</u>	<u>\$ 2,735,756,570</u>	<u>100</u>
LIABILITIES AND EQUITY						
DEPOSITS FROM THE CENTRAL BANK AND BANKS (Notes 22 and 45)	\$ 85,716,012	3	\$ 115,708,086	4	\$ 88,617,358	3
DUE TO THE CENTRAL BANK AND BANKS	-	-	2,760,676	-	-	-
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8 and 45)	78,389,967	2	76,270,123	3	80,082,439	3
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS (Notes 4, 8, 9, 10, 11 and 23)	114,536,657	4	68,718,702	2	81,349,564	3
COMMERCIAL PAPERS ISSUED, NET (Notes 24 and 45)	61,702,411	2	54,048,045	2	47,760,111	2
PAYABLES (Notes 4, 25, 30, 41 and 45)	81,845,116	3	60,180,459	2	65,125,561	2
CURRENT INCOME TAX LIABILITIES (Notes 4, 33 and 45)	2,643,926	-	1,973,105	-	1,825,462	-
DEPOSITS AND REMITTANCES (Notes 26 and 45)	2,237,258,998	73	2,018,978,249	73	2,004,085,525	73
BONDS PAYABLE (Notes 4, 27 and 45)	68,781,237	2	71,827,113	3	73,246,278	3
SHORT-TERM BORROWINGS (Notes 28 and 46)	7,643,181	-	7,886,511	-	5,587,475	-
LONG-TERM BORROWINGS (Notes 28, 45 and 46)	8,298,475	-	122,000	-	1,140,999	-
PREFERRED STOCK LIABILITIES (Notes 4 and 34)	18,437	-	18,437	-	18,437	-
PROVISIONS (Notes 4, 29 and 30)	3,068,491	-	3,409,253	-	2,955,411	-
OTHER FINANCIAL LIABILITIES (Notes 4, 31 and 45)	101,186,431	3	79,418,632	3	84,289,803	3
LEASE LIABILITIES (Notes 4, 19 and 45)	3,561,491	-	3,243,653	-	3,358,274	-
DEFERRED INCOME TAX LIABILITIES (Notes 4 and 33)	1,684,708	-	1,627,403	-	1,750,130	-
OTHER LIABILITIES (Notes 4, 32 and 45)	<u>20,315,945</u>	<u>1</u>	<u>16,965,144</u>	<u>1</u>	<u>16,340,401</u>	<u>1</u>
Total liabilities	<u>2,876,651,483</u>	<u>93</u>	<u>2,583,155,591</u>	<u>93</u>	<u>2,557,533,228</u>	<u>93</u>
EQUITY						
Capital stock						
Common stock	<u>126,858,509</u>	<u>4</u>	<u>123,764,399</u>	<u>5</u>	<u>123,764,399</u>	<u>5</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	-
Unappropriated earnings	<u>42,751,259</u>	<u>2</u>	<u>25,164,031</u>	<u>1</u>	<u>21,056,226</u>	<u>1</u>
Total retained earnings	<u>74,260,084</u>	<u>3</u>	<u>63,599,912</u>	<u>2</u>	<u>59,492,107</u>	<u>2</u>
Other equity	<u>(3,574,912)</u>	<u>-</u>	<u>(5,157,716)</u>	<u>-</u>	<u>(11,162,525)</u>	<u>-</u>
Total equity	<u>203,673,042</u>	<u>7</u>	<u>188,335,956</u>	<u>7</u>	<u>178,223,342</u>	<u>7</u>
TOTAL	<u>\$ 3,080,324,525</u>	<u>100</u>	<u>\$ 2,771,491,547</u>	<u>100</u>	<u>\$ 2,735,756,570</u>	<u>100</u>

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 September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
INTEREST INCOME	\$ 21,889,867	128	\$ 19,326,390	134	\$ 62,281,060	125	\$ 55,712,376	136
INTEREST EXPENSES	<u>(14,890,033)</u>	<u>(87)</u>	<u>(13,173,975)</u>	<u>(91)</u>	<u>(43,424,845)</u>	<u>(87)</u>	<u>(37,084,513)</u>	<u>(91)</u>
NET INTEREST REVENUE (Notes 4, 35 and 45)	<u>6,999,834</u>	<u>41</u>	<u>6,152,415</u>	<u>43</u>	<u>18,856,215</u>	<u>38</u>	<u>18,627,863</u>	<u>45</u>
NET REVENUES OTHER THAN INTEREST (Note 4)								
Service fee and commissions income, net (Notes 36 and 45)	5,081,359	30	4,082,644	28	15,793,044	31	11,509,149	28
Gains on financial assets and liabilities at fair value through profit or loss, net (Notes 37 and 45)	2,754,493	16	3,165,379	22	12,324,862	25	8,323,583	20
Gains on investment property	-	-	50,096	-	-	-	50,096	-
Realized gains on financial assets at fair value through other comprehensive income (Notes 38 and 45)	716,119	4	808,801	6	1,496,365	3	1,646,286	4
Gains arising from derecognition of financial assets measured at amortized cost	14,800	-	14,641	-	47,785	-	37,799	-
Foreign exchange gains (losses), net	1,323,068	8	(23,027)	-	682,579	1	(25,023)	-
(Impairment loss) reversal of impairment loss on assets (Notes 9, 10, 16, 21 and 39)	(58,702)	-	(43,113)	-	(77,463)	-	38,420	-
Share of profit of associates for using equity method (Note 15)	13,492	-	32,533	-	61,452	-	120,541	1
Net other revenue other than interest income (Notes 40 and 45)	<u>269,204</u>	<u>1</u>	<u>225,162</u>	<u>1</u>	<u>807,527</u>	<u>2</u>	<u>705,169</u>	<u>2</u>
Net revenues other than interest	<u>10,113,833</u>	<u>59</u>	<u>8,313,116</u>	<u>57</u>	<u>31,136,151</u>	<u>62</u>	<u>22,406,020</u>	<u>55</u>
NET REVENUE	<u>17,113,667</u>	<u>100</u>	<u>14,465,531</u>	<u>100</u>	<u>49,992,366</u>	<u>100</u>	<u>41,033,883</u>	<u>100</u>
BAD DEBTS EXPENSE, COMMITMENT AND GUARANTEE LIABILITY PROVISION (Notes 4, 5, 6, 7, 12, 13, 16 and 29)	<u>(1,233,013)</u>	<u>(7)</u>	<u>(455,915)</u>	<u>(3)</u>	<u>(2,750,113)</u>	<u>(6)</u>	<u>(1,366,409)</u>	<u>(4)</u>
OPERATING EXPENSES								
Employee benefits expenses (Notes 4, 30, 41 and 45)	(5,493,947)	(32)	(4,932,169)	(34)	(16,263,172)	(32)	(13,982,273)	(34)
Depreciation and amortization expense (Notes 4, 17, 18, 19, 20 and 42)	(627,928)	(4)	(608,666)	(4)	(1,870,787)	(4)	(1,770,804)	(4)
Other general and administrative expenses (Notes 43 and 45)	<u>(2,320,810)</u>	<u>(13)</u>	<u>(1,948,019)</u>	<u>(14)</u>	<u>(6,516,510)</u>	<u>(13)</u>	<u>(5,672,151)</u>	<u>(14)</u>
Total operating expenses	<u>(8,442,685)</u>	<u>(49)</u>	<u>(7,488,854)</u>	<u>(52)</u>	<u>(24,650,469)</u>	<u>(49)</u>	<u>(21,425,228)</u>	<u>(52)</u>

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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 September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
PROFIT FROM CONTINUING OPERATIONS BEFORE TAX	\$ 7,437,969	44	\$ 6,520,762	45	\$ 22,591,784	45	\$ 18,242,246	44
INCOME TAX EXPENSE (Notes 4 and 33)	<u>(1,174,661)</u>	<u>(7)</u>	<u>(908,521)</u>	<u>(6)</u>	<u>(4,143,107)</u>	<u>(8)</u>	<u>(2,530,501)</u>	<u>(6)</u>
NET INCOME	<u>6,263,308</u>	<u>37</u>	<u>5,612,241</u>	<u>39</u>	<u>18,448,677</u>	<u>37</u>	<u>15,711,745</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)	(7,074)	-	17,508	-	7,815	-	17,010	-
Revaluation (losses) gains on investments in equity instruments measured at fair value through other comprehensive income (Note 34)	(1,013,503)	(6)	711,967	5	3,376,144	7	4,639,015	12
Income tax related to items that will not be reclassified to profit or loss (Notes 33 and 34)	<u>(3,970)</u>	<u>-</u>	<u>(3,147)</u>	<u>-</u>	<u>(13,412)</u>	<u>-</u>	<u>(7,543)</u>	<u>-</u>
Items that will not be reclassified to profit or loss	<u>(1,024,547)</u>	<u>(6)</u>	<u>726,328</u>	<u>5</u>	<u>3,370,547</u>	<u>7</u>	<u>4,648,482</u>	<u>12</u>
Items that will be reclassified to profit or loss								
Exchange differences on translation of foreign operations (Note 34)	57,786	-	633,693	4	805,018	1	333,493	1
Gains (losses) from investments in debt instruments measured at fair value through other comprehensive income (Note 34)	4,449,538	26	(1,693,680)	(12)	2,182,357	4	(550,944)	(2)
Share of other comprehensive income (loss) of associates accounted for using equity method (Notes 15 and 34)	2,943	-	(2,353)	-	(1,218)	-	(4,930)	-
Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Notes 33 and 34)	<u>(7,916)</u>	<u>-</u>	<u>(87,236)</u>	<u>-</u>	<u>(185,965)</u>	<u>-</u>	<u>(53,562)</u>	<u>-</u>
Items that will be reclassified to profit or loss	<u>4,502,351</u>	<u>26</u>	<u>(1,149,576)</u>	<u>(8)</u>	<u>2,800,192</u>	<u>5</u>	<u>(275,943)</u>	<u>(1)</u>
Other comprehensive income	<u>3,477,804</u>	<u>20</u>	<u>(423,248)</u>	<u>(3)</u>	<u>6,170,739</u>	<u>12</u>	<u>4,372,539</u>	<u>11</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 9,741,112</u>	<u>57</u>	<u>\$ 5,188,993</u>	<u>36</u>	<u>\$ 24,619,416</u>	<u>49</u>	<u>\$ 20,084,284</u>	<u>49</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 September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
EARNINGS PER SHARE								
(Note 44)								
Basic	<u>\$ 0.49</u>		<u>\$ 0.44</u>		<u>\$ 1.45</u>		<u>\$ 1.26</u>	
Diluted	<u>\$ 0.49</u>		<u>\$ 0.44</u>		<u>\$ 1.45</u>		<u>\$ 1.26</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		Retained Earnings (Notes 9 and 34)				Other Equity (Notes 4, 9 and 34)			Total	Total Equity
	Common Stock	Capital Surplus (Notes 4 and 34)	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	\$ 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)	-	-	-	-	-
Net income for the nine months ended September 30, 2023	-	-	-	-	15,711,745	15,711,745	-	-	-	-	15,711,745
Other comprehensive income for the nine months ended September 30, 2023, net of income tax	-	-	-	-	-	-	258,144	4,097,385	17,010	4,372,539	4,372,539
Total comprehensive income for the nine months ended September 30, 2023	-	-	-	-	15,711,745	15,711,745	258,144	4,097,385	17,010	4,372,539	20,084,284
Issuance of common stocks for cash	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	-	-	-	-	1,334,852	1,334,852	-	(1,334,852)	-	(1,334,852)	-
BALANCE AT SEPTEMBER 30, 2023	\$ 123,764,399	\$ 6,129,361	\$ 23,751,851	\$ 14,684,030	\$ 21,056,226	\$ 59,492,107	\$ (932,725)	\$ (10,200,165)	\$ (29,635)	\$ (11,162,525)	\$ 178,223,342
BALANCE AT JANUARY 1, 2024	\$ 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)	-	-	-	-	-
Net income for the nine months ended September 30, 2024	-	-	-	-	18,448,677	18,448,677	-	-	-	-	18,448,677
Other comprehensive income for the nine months ended September 30, 2024, net of income tax	-	-	-	-	-	-	640,301	5,522,623	7,815	6,170,739	6,170,739
Total comprehensive income for the nine months ended September 30, 2024	-	-	-	-	18,448,677	18,448,677	640,301	5,522,623	7,815	6,170,739	24,619,416
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	4,587,935	4,587,935	-	(4,587,935)	-	(4,587,935)	-
BALANCE AT SEPTEMBER 30, 2024	\$ 126,858,509	\$ 6,129,361	\$ 25,867,291	\$ 5,641,534	\$ 42,751,259	\$ 74,260,084	\$ (735,656)	\$ (2,804,800)	\$ (34,456)	\$ (3,574,912)	\$ 203,673,042

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 Nine Months Ended September 30	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit from continuing operations before tax	\$ 22,591,784	\$ 18,242,246
Adjustments to reconcile profit		
Depreciation expense	1,514,741	1,447,990
Amortization expense	356,046	322,814
Provision for bad debt expense	3,366,462	1,756,598
Interest expenses	43,424,845	37,084,513
Net gains arising from derecognition of financial assets measured at amortized cost	(47,785)	(37,799)
Interest income	(62,281,060)	(55,712,376)
Dividend income	(1,889,120)	(3,124,009)
Net change in provisions for guarantee liabilities	7,883	(12,384)
Net change in other provisions	(120,512)	22,728
Share-based payments	-	150,580
Share of profit of associates for using equity method	(61,452)	(120,541)
(Gains) losses on disposal and retirement of property and equipment	(4,318)	1,187
Property and equipment transferred to expenses	783	462
Gain on disposal of investment properties	-	(50,096)
Losses on disposal of intangible assets	237	-
Impairment loss (reversal of impairment loss) on financial assets	75,371	(38,420)
Impairment losses on non-financial assets	2,092	-
Losses on sale of non-performing loans	-	5,382
Other items	(817)	388
Changes in operating assets and liabilities		
(Increase) decrease in due from the Central Bank and call loans to banks	(2,500,492)	7,364,223
Increase in financial assets at fair value through profit or loss	(2,506,263)	(62,478,192)
Decrease (increase) in financial assets at fair value through other comprehensive income	11,812,676	(5,383,037)
Increase in investments in debt instruments at amortized cost	(15,464,390)	(76,561,318)
(Increase) decrease in securities purchased under resell agreements	(4,024,491)	1,707,068
Increase in receivables	(45,147,844)	(32,000,818)
Increase in discounts and loans	(178,027,325)	(109,037,307)
Increase in other financial assets	(18,699,352)	(1,178,536)
(Increase) decrease in other assets	(6,519,038)	3,735,022
(Decrease) increase in deposits from the Central Bank and banks	(29,992,074)	16,140,141
Increase in financial liabilities at fair value through profit or loss	2,127,659	20,334,627
Increase in securities sold under repurchase agreements	45,817,955	21,426,249
Increase in payables	20,483,997	10,157,541
Increase in deposits and remittances	218,280,749	3,556,794

(Continued)

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2024	2023
Decrease in provisions for employee benefits	\$ (242,465)	\$ (172,726)
Increase in other financial liabilities	21,767,799	14,525,376
Increase in other liabilities	<u>3,350,801</u>	<u>666,147</u>
Net cash generated from (used in) operations	27,453,082	(187,259,483)
Interest received	62,222,310	55,093,141
Dividends received	1,878,150	3,025,743
Interest paid	(44,083,043)	(34,539,438)
Income tax paid	<u>(3,706,596)</u>	<u>(2,610,055)</u>
Net cash generated from (used in) operating activities	<u>43,763,903</u>	<u>(166,290,092)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(1,068,236)	(861,220)
Proceeds from disposal of property and equipment	58,730	40,181
Acquisition of intangible assets	(160,508)	(183,156)
Acquisition of right-of-use-assets	(1,650)	(2,168)
Acquisition of investment properties	(1,071)	(3,031)
Proceeds from disposal of investment properties	<u>-</u>	<u>160,080</u>
Net cash used in investing activities	<u>(1,172,735)</u>	<u>(849,314)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in short-term borrowings	(737,536)	1,520,839
Decrease in due to the Central Bank and banks	(2,760,676)	-
Increase in commercial papers issued	7,654,366	28,657,145
Bank debentures issued	1,000,000	2,000,000
Repayment of bank debentures payable	(4,050,000)	-
Proceeds from long-term borrowings	17,906,768	8,841,874
Repayments of long-term borrowings	(9,258,758)	(10,038,097)
Repayments of lease liabilities	(731,585)	(679,314)
Distribution of cash dividends	(9,282,330)	(7,280,259)
Proceeds from issuing of common stock	<u>-</u>	<u>11,250,000</u>
Net cash (used in) generated from financing activities	<u>(259,751)</u>	<u>34,272,188</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	<u>893,766</u>	<u>522,625</u>
		(Continued)

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2024	2023
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 43,225,183	\$(132,344,593)
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>\$ 261,306,953</u>	<u>\$ 194,344,691</u>

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

	September 30	
	2024	2023
Cash and cash equivalents in consolidated balance sheets	\$ 45,062,754	\$ 31,804,498
Due from the Central Bank and call loans to banks reclassified as cash and cash equivalents under the definition of IAS 7	111,228,797	95,076,680
Securities purchased under resell agreements reclassified as cash and cash equivalents under the definition of IAS 7	<u>105,015,402</u>	<u>67,463,513</u>
Cash and cash equivalents at the end of the period	<u>\$ 261,306,953</u>	<u>\$ 194,344,691</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 NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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 November 22, 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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
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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.

As of the date the consolidated financial statements were authorized for issue, the Group assessed that the application of above standards and interpretations will have no material impact on the Group’s financial position and financial performance. The Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group’s financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
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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.

The Group assessed that the abovementioned amendments are not expected to have material impact on the Group's accounting policies. 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 10.

The consolidated entities were as follows:

Investor	Investee	Main Business	% of Ownership			Note
			September 30, 2024	December 31, 2023	September 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	
Bank SinoPac	SinoPac Leasing Corporation (“SinoPac Leasing”)	Leasing, installment sales and financing	100	100	100	
	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
SinoPac Securities (Asia)	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 (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 Leasing	SinoPac Solutions and Services Ltd. (“SinoPac Solutions and Services”)	Fund administration service	100	100	100	
	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 remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period 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 5 and 6.

6. CASH AND CASH EQUIVALENTS, NET

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand	\$ 6,488,642	\$ 6,595,621	\$ 6,506,853
Notes and checks for clearing	1,017,555	3,788,256	3,944,360
Deposits in banks and due from banks	34,188,952	15,422,779	14,565,470
Short-term bills	1,658,196	3,418,058	4,759,179
Excess futures margin	<u>1,710,025</u>	<u>1,420,728</u>	<u>2,031,308</u>
	45,063,370	30,645,442	31,807,170
Less: Allowance for credit losses	<u>(616)</u>	<u>(986)</u>	<u>(2,672)</u>
Net amount	<u>\$ 45,062,754</u>	<u>\$ 30,644,456</u>	<u>\$ 31,804,498</u>

The Group assesses the allowance loss of cash and cash equivalents based on the expected credit loss model. As of September 30, 2024, December 31, 2023 and September 30, 2023, considering the historical experience and forward-looking information, the 12-month expected credit loss allowance were \$616, \$986 and \$2,672, 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:

	September 30, 2024	December 31, 2023	September 30, 2023
Short-term bills	1.46%-1.91%	1.15%-1.58%	1.15%-1.55%

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

	September 30, 2024	December 31, 2023	September 30, 2023
Call loans to banks	\$ 61,137,435	\$ 76,415,595	\$ 69,995,900
Trade finance advance - interbank	5,304,090	11,698,728	12,827,150
Deposit reserve - checking accounts	51,440,956	33,670,211	24,045,079
Due from the Central Bank - interbank settlement funds	12,015,847	10,034,761	10,045,920
Deposit reserve - demand accounts	52,185,322	45,165,820	51,524,686
Deposit reserve - foreign currencies	633,126	615,049	645,770
Deposit - other	<u>5,532,458</u>	<u>6,450,205</u>	<u>5,070,183</u>
	188,249,234	184,050,369	174,154,688
Less: Allowance for credit losses	<u>(1,169)</u>	<u>(49)</u>	<u>(271)</u>
Net amount	<u>\$ 188,248,065</u>	<u>\$ 184,050,320</u>	<u>\$ 174,154,417</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

	September 30, 2024	December 31, 2023	September 30, 2023
Financial assets mandatorily classified as at fair value through profit or loss			
Operating securities - proprietary	\$ 65,181,313	\$ 54,126,130	\$ 47,299,150
Government bonds	11,872,172	19,256,385	17,611,626
Commercial papers	9,291,450	4,462,111	6,068,960
Corporate bonds	8,207,337	7,873,733	6,803,062
Operating securities - hedging	7,000,390	3,233,831	2,875,845
Bank debentures	5,457,122	4,236,182	1,796,805
Certificates of deposits	4,261,795	7,049,421	3,486,013
Stocks	3,176,148	2,825,628	2,409,175
Operating securities - underwriting	190,529	451,177	698,125
Lending securities	105,461	1,166,414	41,147
Currency swap contracts	19,363,422	28,543,371	39,209,629
Interest rate swap contracts	11,699,094	10,370,493	17,037,176
Future margin - own funds	1,491,875	1,218,903	1,211,829
Forward exchange contracts	951,842	450,633	1,107,058
Future margin - marketable securities	877,542	1,732,412	1,257,346
Asset swap option contracts	849,101	818,668	801,949
Option contracts	555,565	418,170	306,344
Others	625,735	390,422	306,183
	<u>151,157,893</u>	<u>148,624,084</u>	<u>150,327,422</u>
Financial assets designated as at fair value through profit or loss			
Corporate bonds	<u>1,232,290</u>	<u>1,259,836</u>	<u>3,794,626</u>
	<u>\$ 152,390,183</u>	<u>\$ 149,883,920</u>	<u>\$ 154,122,048</u>
Held-for-trading financial liabilities			
Borrowing security payable	\$ 23,482,352	\$ 14,843,330	\$ 10,619,807
Currency swap contracts	21,647,038	31,687,170	33,033,408
Interest rate swap contracts	9,252,132	8,179,915	13,133,317
Asset swap option contracts	2,561,492	2,269,307	1,924,080
Option contracts	2,049,534	2,087,752	2,904,697
Forward exchange contracts	972,740	1,309,228	572,502
Liabilities for issuance of warrants, net	879,394	668,113	666,275
Others	795,501	303,240	433,797
	<u>61,640,183</u>	<u>61,348,055</u>	<u>63,287,883</u>
Financial liabilities designated as at fair value through profit or loss			
Bank debentures	1,993,797	1,873,060	1,944,781
Liabilities for structured notes	14,755,987	13,049,008	14,849,775
	<u>16,749,784</u>	<u>14,922,068</u>	<u>16,794,556</u>
	<u>\$ 78,389,967</u>	<u>\$ 76,270,123</u>	<u>\$ 80,082,439</u>

- 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 September 30, 2024, December 31, 2023 and September 30, 2023, the par values of financial assets at FVTPL under repurchase agreements were \$23,658,899, \$22,712,771 and \$21,604,868, respectively.
- c. Information on financial liabilities designated as at fair value through profit or loss were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Difference between carrying amounts and the amounts due on maturity			
Fair value	\$ 1,993,797	\$ 1,873,060	\$ 1,944,781
Amounts due on maturity	<u>(2,025,830)</u>	<u>(1,883,244)</u>	<u>(1,977,310)</u>
	<u>\$ (32,033)</u>	<u>\$ (10,184)</u>	<u>\$ (32,529)</u>
			Changes in Fair Value
			Attributable to Changes in Credit Risk
Change in amount during the period			
For the three months ended September 30, 2024			<u>\$ (7,074)</u>
For the three months ended September 30, 2023			<u>\$ 17,508</u>
For the nine months ended September 30, 2024			<u>\$ 7,815</u>
For the nine months ended September 30, 2023			<u>\$ 17,010</u>
Accumulated amount of change			
As of September 30, 2024			<u>\$ (34,456)</u>
As of December 31, 2023			<u>\$ (42,271)</u>
As of September 30, 2023			<u>\$ (29,635)</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 September 30, 2024, December 31, 2023 and September 30, 2023 were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Currency swap contracts	\$ 3,621,991,917	\$ 3,011,343,846	\$ 3,289,476,297
Interest rate swap contracts	1,257,929,985	1,192,324,852	1,126,830,544
Forward exchange contracts	164,633,102	123,855,782	117,845,858
Option contracts	70,283,399	62,269,632	49,772,289
Futures contracts	58,606,463	40,333,522	35,504,127
Asset swap contracts	22,706,203	23,534,247	23,912,823
Principal guaranteed contracts	12,850,588	12,221,586	14,140,847
Cross-currency swap contracts	10,662,437	7,154,519	4,245,141
Equity-linked swap contracts	4,241,741	1,300,118	1,774,826
Equity derivatives contracts	739,138	-	-
Credit-linked note	697,400	698,000	607,600
Forward bond contracts	409,155	-	-

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	September 30, 2024	December 31, 2023	September 30, 2023
Equity instruments at fair value through other comprehensive income	\$ 14,830,700	\$ 26,234,174	\$ 25,693,721
Debt instruments at fair value through other comprehensive income	<u>353,767,505</u>	<u>348,640,784</u>	<u>319,928,304</u>
	<u>\$ 368,598,205</u>	<u>\$ 374,874,958</u>	<u>\$ 345,622,025</u>

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

	September 30, 2024	December 31, 2023	September 30, 2023
Stock	\$ 14,678,983	\$ 24,696,384	\$ 23,667,277
Real estate investment trust beneficiary securities	<u>151,717</u>	<u>1,537,790</u>	<u>2,026,444</u>
	<u>\$ 14,830,700</u>	<u>\$ 26,234,174</u>	<u>\$ 25,693,721</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 \$21,025,703 and \$11,636,928, and transferred the income of gain \$4,587,935 and \$1,334,852 from other equity to retained earnings for the nine months ended September 30, 2024 and 2023, respectively.

b. Debt instruments at fair value through other comprehensive income

	September 30, 2024	December 31, 2023	September 30, 2023
Bank debentures	\$ 100,644,834	\$ 91,541,206	\$ 93,072,166
Certificates of deposits	89,258,054	111,944,303	85,957,765
Corporate bonds	56,946,839	48,860,886	46,539,810
Government bonds	44,521,794	32,039,499	26,290,453
Commercial papers	42,330,412	47,326,356	44,622,782
Asset-backed securities	14,469,791	14,489,325	14,347,073
Others	<u>5,595,781</u>	<u>2,439,209</u>	<u>9,098,255</u>
	<u>\$ 353,767,505</u>	<u>\$ 348,640,784</u>	<u>\$ 319,928,304</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 \$65,315, \$41,996 and \$40,658 on September 30, 2024, December 31, 2023 and September 30, 2023. Credit risk management and information of impairment valuation of debt instruments at FVTOCI are shown in Note 49, Table 5 and Table 8.
- 3) As of September 30, 2024, December 31, 2023 and September 30, 2023, the par value of debt instruments at FVTOCI under repurchase agreements were \$39,343,704, \$13,170,390 and \$19,178,970, respectively.

10. INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST

	September 30, 2024	December 31, 2023	September 30, 2023
Certificates of deposits	\$ 117,793,282	\$ 101,567,426	\$ 93,561,583
Government bonds	70,015,154	69,502,131	72,513,843
Bank debentures	60,512,268	65,680,751	66,750,133
Asset-backed securities	39,624,335	40,512,006	43,125,653
Corporate bonds	27,967,580	23,796,228	23,387,929
Others	<u>3,167,080</u>	<u>2,511,944</u>	<u>2,743,732</u>
	319,079,699	303,570,486	302,082,873
Less: Impairment loss	<u>(25,400)</u>	<u>(23,807)</u>	<u>(24,325)</u>
	<u>\$ 319,054,299</u>	<u>\$ 303,546,679</u>	<u>\$ 302,058,548</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 5 and Table 9.
- c. As of September 30, 2024, December 31, 2023 and September 30, 2023, the par value of investment in debt instruments at amortized cost under repurchase agreements were \$11,902,769, \$1,029,915 and \$1,268,631, respectively.

11. SECURITIES PURCHASED UNDER RESELL AGREEMENTS

	September 30, 2024	December 31, 2023	September 30, 2023
Government bonds	\$ 48,516,289	\$ 21,722,347	\$ 28,351,900
Commercial papers	28,371,502	33,707,421	25,729,470
Negotiable certificates of deposits	14,568,024	11,210,863	1,774,390
Corporate bonds	9,756,583	7,300,660	8,434,666
Bank debentures	<u>7,839,988</u>	<u>3,978,092</u>	<u>4,365,486</u>
	<u>\$ 109,052,386</u>	<u>\$ 77,919,383</u>	<u>\$ 68,655,912</u>
Agreed-upon resell amount	\$ 109,380,500	\$ 78,206,886	\$ 68,915,923
Par value	\$ 117,328,277	\$ 84,039,303	\$ 75,390,061
Expiry	February 2025	May 2024	January 2024

As of September 30, 2024, December 31, 2023 and September 30, 2023, the par value of securities purchased under resell agreements under repurchase agreements were \$47,654,564, \$37,200,847 and \$45,907,245, respectively.

12. RECEIVABLES, NET

	September 30, 2024	December 31, 2023	September 30, 2023
Margin loans receivable	\$ 32,219,503	\$ 24,855,375	\$ 22,442,445
Accounts receivable - settlement	28,015,384	15,592,616	13,437,365
Securities loan receivable - purpose	24,707,501	13,803,408	11,345,764
Credit card receivables	21,731,040	20,807,965	20,491,621
Accounts and notes receivable	18,580,918	3,077,280	6,902,416
Interest and revenue receivables	10,115,963	10,350,561	9,165,293
Accounts receivable - factoring	9,200,413	13,566,034	14,637,593
Accounts receivable - forfaiting	8,275,105	8,489,489	7,863,965
Acceptances receivables	7,747,282	5,904,300	7,712,532
Lease receivables and installment	7,139,269	5,551,913	4,939,201
Receivables from securities sale	5,629,189	4,751,296	3,373,562
Trust administration fee revenue receivable	1,147,004	930,635	963,007
Others	<u>1,860,181</u>	<u>1,944,888</u>	<u>2,235,064</u>
	176,368,752	129,625,760	125,509,828
Less: Allowance for credit losses	(747,121)	(912,794)	(893,229)
Premium or discount on receivables	<u>(547)</u>	<u>(1,074)</u>	<u>(1,753)</u>
Net amount	<u>\$ 175,621,084</u>	<u>\$ 128,711,892</u>	<u>\$ 124,614,846</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 Nine Months Ended September 30	
	2024	2023
Balance, January 1	\$ 912,794	\$ 806,022
Provision	289,157	248,689
Write-off	(318,416)	(132,690)
Reclassification	(153,951)	(38,013)
Effect of exchange rate changes	<u>17,537</u>	<u>9,221</u>
Balance, September 30	<u>\$ 747,121</u>	<u>\$ 893,229</u>

Please refer to Note 49 and Tables 5 and 7 for the analysis of receivable impairment loss. The Group received payments for loans previously written-off \$140,693 and \$116,838 for the nine months ended September 30, 2024 and 2023, respectively, which were recognized as deduction of provision expenses.

13. DISCOUNTS AND LOANS, NET

	September 30, 2024	December 31, 2023	September 30, 2023
Export negotiation	\$ 971,449	\$ 1,173,250	\$ 1,808,068
Discounts and overdrafts	37,748	44,084	520,287
Accounts receivable - financing	1,948,977	2,016,186	1,878,655
Short-term loans	160,301,217	133,568,625	153,267,664
Secured short-term loans	101,182,543	89,852,993	94,678,022
Medium-term loans	416,232,910	355,372,430	353,679,226
Secured medium-term loans	245,505,503	208,658,883	209,957,638
Long-term loans	23,083,641	17,874,875	17,427,630
Secured long-term loans	669,410,006	633,526,809	620,967,436
Non-performing loans transferred from loans	<u>1,529,913</u>	<u>1,092,505</u>	<u>1,036,661</u>
	1,620,203,907	1,443,180,640	1,455,221,287
Less: Allowance for credit losses	(21,564,140)	(19,431,589)	(18,804,736)
Premium or discount on discounts and loans	<u>(250,727)</u>	<u>(280,689)</u>	<u>(313,464)</u>
Net amount	<u>\$ 1,598,389,040</u>	<u>\$ 1,423,468,362</u>	<u>\$ 1,436,103,087</u>

- a. Please refer to Note 49 and Tables 5 and 6 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 Nine Months Ended September 30	
	2024	2023
Balance, January 1	\$ 19,431,589	\$ 17,612,485
Provision	2,998,742	1,503,260
Write-off	(977,455)	(433,547)
Effect of exchange rate changes	<u>111,264</u>	<u>122,538</u>
Balance, September 30	<u>\$ 21,564,140</u>	<u>\$ 18,804,736</u>

The Group received payments for loans previously written-off \$313,386 and \$276,684 for the nine months ended September 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:

	September 30, 2024	December 31, 2023	September 30, 2023
Funds	<u>\$ 101,935,911</u>	<u>\$ 90,476,899</u>	<u>\$ 83,239,184</u>

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

	September 30, 2024	December 31, 2023	September 30, 2023
Financial assets at fair value through profit or loss	<u>\$ 599,114</u>	<u>\$ 341,832</u>	<u>\$ 311,879</u>

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

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

15. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	September 30, 2024	December 31, 2023	September 30, 2023
Golden Trust SinoPac Fund Management	\$ 1,040,413	\$ 937,853	\$ 1,038,651
Telexpress	<u>79,329</u>	<u>78,498</u>	<u>92,025</u>
	<u>\$ 1,119,742</u>	<u>\$ 1,016,351</u>	<u>\$ 1,130,676</u>

Name of Associate	Nature of Activities	Principal Place of Business	Proportion of Ownership and Voting Rights		
			September 30, 2024	December 31, 2023	September 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 unreviewed financial statements, 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:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
The Group's share of:				
Net income	\$ 13,492	\$ 32,533	\$ 61,452	\$ 120,541
Other comprehensive income (loss)	<u>2,943</u>	<u>(2,353)</u>	<u>(1,218)</u>	<u>(4,930)</u>
	<u>\$ 16,435</u>	<u>\$ 30,180</u>	<u>\$ 60,234</u>	<u>\$ 115,611</u>

16. OTHER FINANCIAL ASSETS, NET

	September 30, 2024	December 31, 2023	September 30, 2023
Customer margin deposits	\$ 42,829,789	\$ 30,799,001	\$ 32,213,165
Bank deposits not belonging to cash and cash equivalents	14,072,765	7,567,171	7,611,381
Purchase of the PEM Group's instruments	3,761,105	4,187,286	4,770,604
Long-term lease receivables and installment	3,601,748	3,512,721	3,562,996
Non-performing receivables transferred from other than loans	183,746	111,824	105,785
Others	<u>1,140,901</u>	<u>853,539</u>	<u>592,087</u>
	65,590,054	47,031,542	48,856,018
Less: Allowance for credit loss	(203,739)	(181,196)	(152,902)
Accumulated impairment	<u>(2,508,265)</u>	<u>(2,386,381)</u>	<u>(2,520,672)</u>
Net amount	<u>\$ 62,878,050</u>	<u>\$ 44,463,965</u>	<u>\$ 46,182,444</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:

	For the Nine Months Ended September 30	
	2024	2023
Balance, January 1	\$ 181,196	\$ 140,622
Provision	76,861	8,711
Write off	(211,127)	(34,905)
Reclassifications	153,951	38,013
Effect of exchange rate changes	<u>2,858</u>	<u>461</u>
Balance, September 30	<u>\$ 203,739</u>	<u>\$ 152,902</u>

The Group received payments for loans previously written-off \$52,877 and \$5,278 for the nine months ended September 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 September 30, 2023, a reserve of US\$79,234 thousand (NT\$2,508,265) had been set aside to cover the accumulated impairment losses. Bank SinoPac has record of an impairment loss of \$51,597 and has reversal of impairment loss of \$32,929, respectively, for PEM Group for the nine months ended September 30, 2024 and 2023.

17. INVESTMENT PROPERTY, NET

The movements of investment property are summarized as follows:

	For the Nine Months Ended September 30, 2024		
	Land and Land Improvements	Buildings	Total
<u>Cost</u>			
Balance, January 1	\$ 1,840,329	\$ 903,723	\$ 2,744,052
Additions	577	494	1,071
Deductions	-	-	-
Reclassifications	<u>(94,159)</u>	<u>(51,894)</u>	<u>(146,053)</u>
Balance, September 30	<u>1,746,747</u>	<u>852,323</u>	<u>2,599,070</u>

(Continued)

For the Nine Months Ended September 30, 2024

	Land and Land Improvements	Buildings	Total
<u>Accumulated depreciation</u>			
Balance, January 1	\$ 6,591	\$ 432,836	\$ 439,427
Depreciation	254	14,161	14,415
Deductions	-	-	-
Reclassifications	-	(30,433)	(30,433)
Balance, September 30	<u>6,845</u>	<u>416,564</u>	<u>423,409</u>
<u>Accumulated impairment</u>			
Balance, January 1	14,532	22,772	37,304
Additions	-	-	-
Deductions	-	-	-
Balance, September 30	<u>14,532</u>	<u>22,772</u>	<u>37,304</u>
<u>Net amount</u>			
Balance, September 30	<u>\$ 1,725,370</u>	<u>\$ 412,987</u>	<u>\$ 2,138,357</u> (Concluded)

For the Nine Months Ended September 30, 2023

	Land and Land Improvements	Buildings	Total
<u>Cost</u>			
Balance, January 1	\$ 1,931,070	\$ 938,638	\$ 2,869,708
Additions	188	2,843	3,031
Deductions	(98,258)	(30,260)	(128,518)
Reclassifications	7,329	(7,896)	(567)
Balance, September 30	<u>1,840,329</u>	<u>903,325</u>	<u>2,743,654</u>
<u>Accumulated depreciation</u>			
Balance, January 1	6,150	435,435	441,585
Depreciation	359	14,891	15,250
Deductions	-	(18,534)	(18,534)
Reclassifications	-	(3,787)	(3,787)
Balance, September 30	<u>6,509</u>	<u>428,005</u>	<u>434,514</u>
<u>Accumulated impairment</u>			
Balance, January 1	14,532	22,772	37,304
Additions	-	-	-
Deductions	-	-	-
Balance, September 30	<u>14,532</u>	<u>22,772</u>	<u>37,304</u>
<u>Net amount</u>			
Balance, September 30	<u>\$ 1,819,288</u>	<u>\$ 452,548</u>	<u>\$ 2,271,836</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 September 30, 2024, December 31, 2023 and September 30, 2023 were \$4,619,279, \$5,522,318 and \$5,522,318, 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 September 30, 2024, December 31, 2023 and September 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 September 30, 2024, December 31, 2023 and September 30, 2023 were \$8,322,259-\$8,328,604, \$8,329,180-\$8,328,604 and \$8,328,602-\$8,329,180, 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:

	For the Nine Months Ended September 30, 2024							
	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	\$ 7,344,713	\$ 8,000,365	\$ 3,327,681	\$ 514,962	\$ 1,881,637	\$ 1,819,930	\$ 377,538	\$ 23,266,826
Additions	-	49,090	228,800	109,829	131,780	51,371	497,366	1,068,236
Deductions	-	(250,587)	(134,972)	(160,650)	(26,988)	(61,354)	-	(634,551)
Reclassifications	94,159	93,049	17,540	8,542	37,333	79,057	(335,305)	(5,625)
Effect of exchange rate changes	-	16,706	14,985	41	1,849	6,244	1,005	40,830
Balance, September 30	<u>7,438,872</u>	<u>7,908,623</u>	<u>3,454,034</u>	<u>472,724</u>	<u>2,025,611</u>	<u>1,895,248</u>	<u>540,604</u>	<u>23,735,716</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	18	143,047	318,050	63,973	108,729	92,267	-	726,084
Deductions	-	(248,268)	(131,518)	(118,014)	(26,231)	(56,108)	-	(580,139)
Reclassifications	-	30,433	110	-	169	(207)	-	30,505
Effect of exchange rate changes	-	4,007	12,063	43	1,448	4,407	-	21,968
Balance, September 30	<u>125</u>	<u>4,627,476</u>	<u>2,399,148</u>	<u>230,647</u>	<u>1,445,635</u>	<u>1,513,565</u>	<u>-</u>	<u>10,216,596</u>
<u>Net amount</u>								
Balance, September 30	<u>\$ 7,438,747</u>	<u>\$ 3,281,147</u>	<u>\$ 1,054,886</u>	<u>\$ 242,077</u>	<u>\$ 579,976</u>	<u>\$ 381,683</u>	<u>\$ 540,604</u>	<u>\$ 13,519,120</u>

For the Nine Months Ended September 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	-	77,045	310,539	6,053	87,622	42,900	337,061	861,220
Deductions	-	(36,698)	(139,565)	(108,809)	(47,203)	(52,117)	-	(384,392)
Reclassifications	(7,329)	57,330	44,645	62,410	(3,291)	28,571	(400,018)	(217,682)
Effect of exchange rate changes	-	33	13,897	55	2,217	5,763	57	22,022
Balance, September 30	<u>7,344,713</u>	<u>8,010,123</u>	<u>3,335,450</u>	<u>540,057</u>	<u>1,866,640</u>	<u>1,797,178</u>	<u>287,628</u>	<u>23,181,789</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	18	150,007	312,076	70,111	99,584	77,938	-	709,734
Deductions	-	(36,565)	(134,271)	(74,227)	(46,166)	(51,795)	-	(343,024)
Reclassifications	-	3,787	-	-	-	-	-	3,787
Effect of exchange rate changes	-	38	12,125	55	1,695	4,468	-	18,381
Balance, September 30	<u>102</u>	<u>4,674,010</u>	<u>2,188,400</u>	<u>305,174</u>	<u>1,354,305</u>	<u>1,479,925</u>	<u>-</u>	<u>10,001,916</u>
<u>Net amount</u>								
Balance, September 30	<u>\$ 7,344,611</u>	<u>\$ 3,336,113</u>	<u>\$ 1,147,050</u>	<u>\$ 234,883</u>	<u>\$ 512,335</u>	<u>\$ 317,253</u>	<u>\$ 287,628</u>	<u>\$ 13,179,873</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:

	September 30, 2024	December 31, 2023	September 30, 2023
Transportation equipment	\$ 203,096	\$ 185,096	\$ 206,255
Other equipment	<u>847</u>	<u>969</u>	<u>1,022</u>
	<u>\$ 203,943</u>	<u>\$ 186,065</u>	<u>\$ 207,277</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

	September 30, 2024	December 31, 2023	September 30, 2023	
<u>Carrying amounts</u>				
Land and surface rights	\$ 888,528	\$ 903,356	\$ 912,399	
Buildings	3,008,931	2,686,491	2,785,469	
Machinery and computer equipment	51,180	76,387	84,909	
Transportation equipment	19,848	17,609	20,699	
Other equipment	3,740	3,208	3,653	
Decommissioning restoration costs	<u>34,632</u>	<u>33,292</u>	<u>31,637</u>	
	<u>\$ 4,006,859</u>	<u>\$ 3,720,343</u>	<u>\$ 3,838,766</u>	
	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	2024	2023	2024	2023
Additions to right-of-use assets	<u>\$ 305,365</u>	<u>\$ 392,020</u>	<u>\$1,068,973</u>	<u>\$ 938,805</u>
Depreciation charge for right-of-use assets				
Land and surface rights	\$ 9,187	\$ 9,043	\$ 27,480	\$ 27,138
Buildings	238,467	228,561	702,978	652,999
Machinery and computer equipment	8,427	8,425	25,280	25,263
Transportation equipment	2,928	2,573	8,208	7,345
Other equipment	446	422	1,338	1,253
Decommissioning restoration costs	<u>3,048</u>	<u>3,318</u>	<u>8,958</u>	<u>9,008</u>
	<u>\$ 262,503</u>	<u>\$ 252,342</u>	<u>\$ 774,242</u>	<u>\$ 723,006</u>
Right-of-use assets sublease revenue (recognized in financing interest revenue)	<u>\$ 224</u>	<u>\$ 243</u>	<u>\$ 686</u>	<u>\$ 743</u>

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

b. Lease liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
Carrying amounts	<u>\$ 3,561,491</u>	<u>\$ 3,243,653</u>	<u>\$ 3,358,274</u>

Range of discount rate for lease liabilities were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
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%	0.1428%- 8.0000%
Machinery and computer equipment	0.5754%- 2.3588%	0.5754%- 2.3588%	0.5754%- 2.3588%
Transportation equipment	1.0399%- 5.6000%	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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Expenses relating to short-term leases	<u>\$ 7,091</u>	<u>\$ 6,866</u>	<u>\$ 19,964</u>	<u>\$ 19,761</u>
Expenses relating to low-value asset leases	<u>\$ 11,873</u>	<u>\$ 10,765</u>	<u>\$ 36,085</u>	<u>\$ 32,342</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 1,833</u>	<u>\$ 1,701</u>	<u>\$ 5,311</u>	<u>\$ 4,764</u>
Total cash outflow for leases	<u>\$ (279,272)</u>	<u>\$ (258,968)</u>	<u>\$ (850,207)</u>	<u>\$ (783,062)</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 September 30, 2024	\$ 984,099	\$ 2,129,272	\$ 648,132	\$ 3,761,503
As of December 31, 2023	903,120	1,813,767	693,541	3,410,428
As of September 30, 2023	924,281	1,863,329	738,401	3,526,011

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:

September 30, 2024	1 Year	2 Year	3 Year	4 Year	5 Year	Over 5 Years	Total
Operating lease revenue	\$ 142,039	\$ 105,668	\$ 62,026	\$ 38,228	\$ 37,626	\$ 205,970	\$ 591,557
Financial lease revenue	5,332,209	1,913,703	158,180	54,004	16,729	32,000	7,506,825

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

September 30, 2023	1 Year	2 Year	3 Year	4 Year	5 Year	Over 5 Years	Total
Operating lease revenue	\$ 154,592	\$ 93,354	\$ 67,120	\$ 43,458	\$ 36,411	\$ 242,927	\$ 637,862
Financial lease revenue	3,449,135	2,032,874	365,097	58,627	146,495	46,872	6,099,100

20. INTANGIBLE ASSETS, NET

Items	September 30, 2024	December 31, 2023	September 30, 2023
Goodwill	\$ 1,088,243	\$ 1,088,243	\$ 1,088,243
Computer software	1,235,587	1,228,852	1,159,455
Others	<u>81,342</u>	<u>125,829</u>	<u>143,120</u>
	<u>\$ 2,405,172</u>	<u>\$ 2,442,924</u>	<u>\$ 2,390,818</u>

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

	Goodwill	Computer Software	Others	Total
Balance January 1, 2024	\$ 1,088,243	\$ 1,228,852	\$ 125,829	\$ 2,442,924
Addition	-	160,508	-	160,508
Deductions	-	(237)	-	(237)
Amortization	-	(310,117)	(45,929)	(356,046)
Reclassifications	-	150,967	-	150,967
Effect of exchange rate changes	-	<u>5,614</u>	<u>1,442</u>	<u>7,056</u>
Balance September 30, 2024	<u>\$ 1,088,243</u>	<u>\$ 1,235,587</u>	<u>\$ 81,342</u>	<u>\$ 2,405,172</u>

(Continued)

	Goodwill	Computer Software	Others	Total
Balance January 1, 2023	\$ 1,088,243	\$ 1,031,354	\$ 190,600	\$ 2,310,197
Addition	-	183,156	-	183,156
Amortization	-	(273,291)	(49,523)	(322,814)
Reclassifications	-	217,787	-	217,787
Effect of exchange rate changes	-	449	2,043	2,492
Balance September 30, 2023	<u>\$ 1,088,243</u>	<u>\$ 1,159,455</u>	<u>\$ 143,120</u>	<u>\$ 2,390,818</u>

(Concluded)

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 nine months ended September 30, 2023, for the year ended December 31, 2023 and for the nine months ended September 30, 2022 the amounts of net income affiliated with cash generating units were \$38,252, \$28,820 and \$28,718, respectively. The amounts of expected net income 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 September 30, 2024 and 2023.

- b. As of September 30, 2023, 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 nine months ended September 30, 2023, for the year ended December 31, 2023 and for the nine months ended September 30, 2022, the amounts of net income which are not included share of profit of associates accounted for using equity method were \$3,587,667, \$2,928,629 and \$2,298,252, 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 nine months ended September 30, 2023, for the year ended December 31, 2023 and for the nine months ended September 30, 2022, actual net income of SinoPac Futures were \$603,395, \$664,582 and \$534,010, 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 nine months ended September 30, 2024 and 2023, there were no significant impairments.

21. OTHER ASSETS, NET

	September 30, 2024	December 31, 2023	September 30, 2023
Guarantee deposits	\$ 9,043,460	\$ 9,946,732	\$ 7,903,905
Amounts held for settlement	8,925,908	7,461,964	7,256,118
Securities borrowing margins	8,676,581	8,681,272	9,134,248
Receipts under custody from customers' security subscription	5,682,137	184,076	6,224
Operating guarantee deposits and settlement fund	1,768,529	1,634,320	1,673,627
Prepayment	638,828	397,445	763,051
Temporary payments and suspense accounts	181,730	147,126	135,295
Others	<u>118,319</u>	<u>116,671</u>	<u>130,806</u>
	35,035,492	28,569,606	27,003,274
Less: Accumulated impairment	<u>(13,657)</u>	<u>(11,565)</u>	<u>(7,935)</u>
Net amount	<u>\$ 35,021,835</u>	<u>\$ 28,558,041</u>	<u>\$ 26,995,339</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

	September 30, 2024	December 31, 2023	September 30, 2023
Call loans from banks	\$ 73,117,007	\$ 104,086,286	\$ 76,903,485
Redeposits from Chunghwa Post	10,035,300	10,039,900	10,049,900
Call loans from Central Bank	1,582,815	1,537,624	1,614,426
Due to banks	<u>980,890</u>	<u>44,276</u>	<u>49,547</u>
	<u>\$ 85,716,012</u>	<u>\$ 115,708,086</u>	<u>\$ 88,617,358</u>

23. SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

	September 30, 2024	December 31, 2023	September 30, 2023
Bank debentures	\$ 40,745,018	\$ 20,096,128	\$ 22,007,045
Government bonds	32,378,095	23,233,619	32,861,852
Corporate bonds	30,237,188	18,895,955	20,143,667
Asset-backed securities	6,756,347	-	-
Convertible bonds	<u>4,420,009</u>	<u>6,493,000</u>	<u>6,337,000</u>
	<u>\$ 114,536,657</u>	<u>\$ 68,718,702</u>	<u>\$ 81,349,564</u>
Agreed-upon repurchase price	\$ 114,978,638	\$ 69,380,502	\$ 81,884,922
Par value	\$ 122,559,936	\$ 74,113,923	\$ 87,959,714
Expiry	March 2025	June 2024	March 2024

24. COMMERCIAL PAPERS ISSUED, NET

	September 30, 2024	December 31, 2023	September 30, 2023
Commercial papers payables	\$ 61,835,000	\$ 54,140,000	\$ 47,840,000
Less: Unamortized discount	<u>(132,589)</u>	<u>(91,955)</u>	<u>(79,889)</u>
Net amount	<u>\$ 61,702,411</u>	<u>\$ 54,048,045</u>	<u>\$ 47,760,111</u>
Maturity date	2024.10-2025.01	2024.01-2024.06	2023.10-2024.05
Discount rate	1.68%- 2.028%	0.9180%- 1.7580%	0.9180%- 1.7580%

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

25. PAYABLES

	September 30, 2024	December 31, 2023	September 30, 2023
Accounts payable for settlement	\$ 30,418,218	\$ 21,076,527	\$ 16,869,391
Acceptances payable	7,769,163	5,904,300	7,502,682
Accrued expense	7,601,087	6,793,450	6,015,099
Interests payable	6,915,092	7,577,414	7,050,865
Settlement receivable	5,947,095	808,058	2,841,582
Accounts and notes payable	4,898,969	1,900,322	5,025,568
Receipts under custody	4,707,114	1,487,625	3,152,087
Accounts payable - factoring	2,675,884	2,322,038	3,702,836
Accounts payable for securities purchased	2,390,686	1,076,856	1,937,124
Financing guarantees payable	2,362,818	2,545,584	2,325,584
Deposits on short sales	2,022,398	2,170,918	2,072,361
Notes and checks in clearing	1,017,555	3,788,256	3,944,360
Others	<u>3,119,037</u>	<u>2,729,111</u>	<u>2,686,022</u>
	<u>\$ 81,845,116</u>	<u>\$ 60,180,459</u>	<u>\$ 65,125,561</u>

26. DEPOSITS AND REMITTANCES

	September 30, 2024	December 31, 2023	September 30, 2023
Checking	\$ 12,667,485	\$ 12,572,966	\$ 10,365,498
Demand	542,414,850	446,729,001	419,534,134
Savings - demand	586,529,970	567,479,994	557,023,856
Time deposits	729,173,492	644,031,106	677,633,193
Negotiable certificates of deposits	12,254,692	15,837,760	13,833,700
Savings - time	352,238,757	331,469,385	324,338,651
Remittances outstanding	1,851,698	785,047	1,169,315
Remittances under custody	94,683	43,521	152,213
Others	<u>33,371</u>	<u>29,469</u>	<u>34,965</u>
	<u>\$ 2,237,258,998</u>	<u>\$ 2,018,978,249</u>	<u>\$ 2,004,085,525</u>

27. BONDS PAYABLE

	September 30, 2024	December 31, 2023	September 30, 2023
Bank debentures	\$ 53,784,355	\$ 56,832,276	\$ 58,252,126
Corporate bonds payable	<u>14,996,882</u>	<u>14,994,837</u>	<u>14,994,152</u>
	<u>\$ 68,781,237</u>	<u>\$ 71,827,113</u>	<u>\$ 73,246,278</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:

	September 30, 2024	December 31, 2023	September 30, 2023	Issue Period	Rates
Third subordinated bank debentures issued in 2014 (B)	\$ -	\$ 699,958	\$ 699,945	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	-	-	1,419,970	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	149,990	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)	2,099,708	2,099,619	2,099,591	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	199,985	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)	539,895	539,868	539,859	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)	649,964	649,917	649,902	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)	499,879	499,855	499,847	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	2,000,000	1,999,865	1,999,812	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)	1,199,869	1,199,796	1,199,772	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)	1,799,551	1,799,476	1,799,452	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	2,999,939	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	1,500,000	1,499,864	1,499,819	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)	1,749,735	1,749,631	1,749,597	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)	1,749,519	1,749,448	1,749,424	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	2,999,850	2,999,720	2,999,678	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	1,999,634	1,999,584	1,999,568	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	2,899,889	2,899,789	2,899,757	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	2,599,616	2,599,567	2,599,551	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	2,099,896	2,099,828	2,099,804	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	2,399,656	2,399,616	2,399,602	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	999,920	999,868	999,849	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	999,900	999,854	999,838	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	2,719,791	2,719,697	2,719,667	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	2,299,693	2,299,659	2,299,648	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	3,279,793	3,279,719	3,279,693	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	1,699,566	1,699,523	1,699,507	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	4,999,527	4,999,394	4,999,352	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	1,999,794	1,999,733	1,999,713	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	1,999,710	1,999,483	1,999,995	2023.09.14-2025.09.14 Principal is repayable on maturity date.	Fixed interest rate of 1.48%, interest is paid annually.
First senior bank debentures issued in 2024	<u>1,000,000</u>	<u>-</u>	<u>-</u>	2024.09.26-2026.09.26 Principal is repayable on maturity date.	Fixed interest rate of 1.73%, interest is paid annually.
	<u>\$ 53,784,355</u>	<u>\$ 56,832,276</u>	<u>\$ 58,252,126</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:

	September 30, 2024	December 31, 2023	September 30, 2023	Maturity	Rates
<u>The Company</u>					
First unsecured bonds issued in 2020	\$ 4,999,587	\$ 4,998,519	\$ 4,998,162	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	4,997,295	4,996,318	4,995,990	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>\$ 14,996,882</u>	<u>\$ 14,994,837</u>	<u>\$ 14,994,152</u>		

28. BORROWINGS

a. Short-term borrowings

	September 30, 2024	December 31, 2023	September 30, 2023
Credit loans	\$ 7,393,181	\$ 6,536,511	\$ 4,637,475
Guaranteed loans	<u>250,000</u>	<u>1,350,000</u>	<u>950,000</u>
	<u>\$ 7,643,181</u>	<u>\$ 7,886,511</u>	<u>\$ 5,587,475</u>
Maturity date	2024.10-2025.09	2024.01-2024.12	2023.10-2024.09
Range of interest rates per annum	1.89%- 9.8%	1.63%- 9.3%	1.63%- 8.8%

b. Long-term borrowings

	September 30, 2024	December 31, 2023	September 30, 2023
Credit loans	\$ 6,448,475	\$ 122,000	\$ 1,140,999
Guaranteed loans	<u>1,850,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 8,298,475</u>	<u>\$ 122,000</u>	<u>\$ 1,140,999</u>
Maturity date	2024.10-2027.01	2025.03-2025.09	2023.10-2025.06
Range of interest rates per annum	1.6%- 5.8732%	4.325%- 4.55%	4.325%- 6.48%

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.

To meet the funding requirements, SinoPac Securities with finance companies in August and September 2024 issued as an unsecured commercial paper, The total face value is \$5,000,000, and the agreement has a term of three years from the signing date, during which the issue must be revolving.

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

	September 30, 2024	December 31, 2023	September 30, 2023
Provision for employee benefits	\$ 2,445,174	\$ 2,687,639	\$ 2,125,828
Provision for financing commitment	124,698	236,520	323,450
Provision for guarantee liabilities	310,083	302,018	327,719
Provision for decommissioning liabilities	178,671	172,241	169,474
Other provision	<u>9,865</u>	<u>10,835</u>	<u>8,940</u>
	<u>\$ 3,068,491</u>	<u>\$ 3,409,253</u>	<u>\$ 2,955,411</u>

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

	For the Nine Months Ended September 30, 2024		
	Provision for Financing Commitment	Provision for Guarantee Liabilities	Other Provisions-forfeiting
Balance at January 1	\$ 236,520	\$ 302,018	\$ 10,835
Provision (reversal of provision)	(115,647)	7,883	(1,224)
Effect of exchange rate changes	<u>3,825</u>	<u>182</u>	<u>254</u>
Balance at September 30	<u>\$ 124,698</u>	<u>\$ 310,083</u>	<u>\$ 9,865</u>
	For the Nine Months Ended September 30, 2023		
	Provision for Financing Commitment	Provision for Guarantee Liabilities	Other Provisions-forfeiting
Balance at January 1	\$ 287,905	\$ 339,536	\$ 16,187
Provision (reversal of provision)	28,871	(12,384)	(7,637)
Effect of exchange rate changes	<u>6,674</u>	<u>567</u>	<u>343</u>
Balance at September 30	<u>\$ 323,450</u>	<u>\$ 327,719</u>	<u>\$ 8,893</u>

30. PROVISION FOR EMPLOYEE BENEFITS

	September 30, 2024	December 31, 2023	September 30, 2023
Recognized in the consolidated balance sheets (payables and provisions)			
Defined contribution plans	\$ 90,150	\$ 81,358	\$ 77,444
Defined benefit plans	1,770,208	2,015,661	1,492,471
Preferential interest on employees' deposits	376,970	366,026	355,516
Others	<u>297,996</u>	<u>305,952</u>	<u>277,841</u>
	<u>\$ 2,535,324</u>	<u>\$ 2,768,997</u>	<u>\$ 2,203,272</u>

Others included long-term incentive compensation plans; deferred service leave and termination benefits. On September 30, 2024, December 31, 2023 and September 30, 2023, the liabilities related to cash-settled share-based payments of long-term incentive compensation plans were recognized as \$261,443, \$269,433 and \$240,159, 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.

	For the Nine Months Ended September 30	
	2024	2023
Operating expenses	\$ 74,239	\$ 76,193

31. OTHER FINANCIAL LIABILITIES

	September 30, 2024	December 31, 2023	September 30, 2023
Principal of structured products	\$ 57,297,416	\$ 47,757,392	\$ 51,407,532
Futures trader's equity	42,812,537	30,799,001	32,213,165
Equity for each customer in the account	788,574	765,753	546,437
Others	<u>287,904</u>	<u>96,486</u>	<u>122,669</u>
	<u>\$ 101,186,431</u>	<u>\$ 79,418,632</u>	<u>\$ 84,289,803</u>

32. OTHER LIABILITIES

	September 30, 2024	December 31, 2023	September 30, 2023
Securities lending refundable deposits	\$ 7,604,944	\$ 8,083,988	\$ 8,808,967
Receipts under custody from customers' security subscription	5,682,137	184,076	6,224
Guarantee deposits received	4,670,684	6,929,308	6,226,955
Temporary receipts and suspense accounts	1,630,310	1,327,448	825,082
Advance revenue	568,876	294,943	305,996
Deferred revenue	102,952	89,819	89,816
Others	<u>56,042</u>	<u>55,562</u>	<u>77,361</u>
	<u>\$ 20,315,945</u>	<u>\$ 16,965,144</u>	<u>\$ 16,340,401</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 September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Current tax				
Current period	\$ 1,182,198	\$ 826,970	\$ 3,420,957	\$ 2,689,007
Unappropriated earnings	-	-	881,376	-
Prior periods	1,148	(8,833)	(31,487)	(61,716)
Others	<u>10,511</u>	<u>8,887</u>	<u>25,904</u>	<u>20,034</u>
	<u>1,193,857</u>	<u>827,024</u>	<u>4,296,750</u>	<u>2,647,325</u>

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Deferred tax				
Incurrence and reversal of temporary differences	\$ (19,196)	\$ 81,497	\$ (153,643)	\$ (116,824)
Income tax expenses recognized in profit or loss	<u>\$ 1,174,661</u>	<u>\$ 908,521</u>	<u>\$ 4,143,107</u>	<u>\$ 2,530,501</u> (Concluded)

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 September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
<u>Deferred tax</u>				
Adjustments of current period				
Exchange difference on translation of foreign operations	\$ (11,152)	\$ (130,496)	\$ (163,743)	\$ (71,405)
Unrealized gain or loss on financial assets measured at fair value through other comprehensive income	(146)	39,642	(35,878)	9,314
Share of the other comprehensive income of associate	<u>(588)</u>	<u>471</u>	<u>244</u>	<u>986</u>
Income tax recognized in other comprehensive income	<u>\$ (11,886)</u>	<u>\$ (90,383)</u>	<u>\$ (199,377)</u>	<u>\$ (61,105)</u>

c. The income tax returns of SinoPac Securities through 2018 have been examined by the tax authorities, of which the 2015 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 \$101,219 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 September 30, 2024, preferred Class A shares had been converted into 60,000 thousand common stock.

b. Capital surplus

	September 30, 2024	December 31, 2023	September 30, 2023
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:

	February 15, 2024
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:

	Appropriation of Earnings	Dividends Per Share (NT\$)
Legal reserve	\$ 1,638,996	
Special reserve	14,200,212	
Cash dividends	7,280,259	\$ 0.6
Stock dividends	2,426,753	0.2

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:

	Appropriation of Earnings	Dividends Per Share (NT\$)
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	805,018	-	-	-	805,018
Related income tax	(163,743)	-	-	-	(163,743)
Financial assets at fair value through other comprehensive income					
Current adjustment for change in value	-	3,376,144	2,631,952	-	6,008,096
Adjustment for loss allowance of debt instruments	-	-	23,319	-	23,319
Current disposal	-	-	(472,914)	-	(472,914)
Cumulative realized gain or loss transferred to retained earnings due to disposal	-	(4,587,935)	-	-	(4,587,935)
Related income tax	-	(13,412)	(22,466)	-	(35,878)

(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	\$ (1,218)	\$ -	\$ -	\$ -	\$ (1,218)
Related income tax	244	-	-	-	244
Change in fair value of financial liability attributable to change in credit risk of liability					
Change in amount	-	-	-	7,815	7,815
Balance September 30, 2024	<u>\$ (735,656)</u>	<u>\$ 4,701,705</u>	<u>\$ (7,506,505)</u>	<u>\$ (34,456)</u>	<u>\$ (3,574,912)</u>
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	333,493	-	-	-	333,493
Related income tax	(71,405)	-	-	-	(71,405)
Financial assets at fair value through other comprehensive income					
Current adjustment for change in value	-	4,639,015	(532,731)	-	4,106,284
Adjustment for loss allowance of debt instruments	-	-	(10,572)	-	(10,572)
Current disposal	-	-	(7,641)	-	(7,641)
Cumulative realized gain or loss transferred to retained earnings due to disposal	-	(1,334,852)	-	-	(1,334,852)
Related income tax	-	(7,543)	16,857	-	9,314
Share of the other comprehensive income of associates accounted for using equity method					
Current amounts	(4,930)	-	-	-	(4,930)
Related income tax	986	-	-	-	986
Change in fair value of financial liability attributable to change in credit risk of liability					
Change in amount	-	-	-	17,010	17,010
Balance September 30, 2023	<u>\$ (932,725)</u>	<u>\$ 3,566,202</u>	<u>\$ (13,766,367)</u>	<u>\$ (29,635)</u>	<u>\$ (11,162,525)</u>

(Concluded)

35. NET INTEREST REVENUE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Interest income				
Discounts and loans	\$ 13,674,702	\$ 11,922,803	\$ 38,696,818	\$ 33,746,702
Investment securities interest	4,720,023	3,939,601	13,459,031	10,612,753
Due from the Central Bank and other banks	1,147,063	1,641,432	3,449,419	6,304,386

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Securities purchased under resell agreements	\$ 728,719	\$ 470,316	\$ 1,937,035	\$ 1,435,814
Financing	612,003	429,188	1,701,389	1,094,946
Deposits	282,737	288,370	833,080	801,263
Credit card revolving interest rate income	143,072	133,514	437,182	388,878
Others	<u>581,548</u>	<u>501,166</u>	<u>1,767,106</u>	<u>1,327,634</u>
	<u>21,889,867</u>	<u>19,326,390</u>	<u>62,281,060</u>	<u>55,712,376</u>
Interest expense				
Deposits	(11,254,234)	(10,169,401)	(32,956,700)	(28,999,057)
Call loans from banks	(1,016,749)	(917,682)	(3,147,515)	(2,602,148)
Securities sold under repurchase agreements	(1,020,607)	(777,448)	(2,742,733)	(2,019,089)
Interest expense of structured products	(707,989)	(606,545)	(2,002,746)	(1,570,224)
Borrowing	(320,648)	(261,799)	(960,359)	(656,482)
Bank debentures	(213,156)	(219,274)	(646,947)	(648,730)
Others	<u>(356,650)</u>	<u>(221,826)</u>	<u>(967,845)</u>	<u>(588,783)</u>
	<u>(14,890,033)</u>	<u>(13,173,975)</u>	<u>(43,424,845)</u>	<u>(37,084,513)</u>
Net amount	<u>\$ 6,999,834</u>	<u>\$ 6,152,415</u>	<u>\$ 18,856,215</u>	<u>\$ 18,627,863</u> (Concluded)

36. SERVICE FEE AND COMMISSIONS INCOME, NET

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Commissions and fee expense				
Brokerage services	\$ 2,941,466	\$ 2,320,751	\$ 8,290,718	\$ 5,945,459
Trust and related services	1,160,738	912,788	3,261,757	2,391,178
Loan services	606,057	470,338	2,486,770	2,002,074
Insurance services	572,054	574,121	2,227,650	1,552,261
Credit card services	238,888	203,778	665,105	623,442
Others	<u>527,432</u>	<u>453,185</u>	<u>1,642,355</u>	<u>1,294,785</u>
	<u>6,046,635</u>	<u>4,934,961</u>	<u>18,574,355</u>	<u>13,809,199</u>
Commissions and fee expense				
Brokerage services	(250,672)	(215,309)	(728,873)	(530,122)
Credit card services	(253,428)	(218,398)	(709,338)	(620,324)
Interbank services	(103,801)	(91,644)	(300,501)	(269,062)
Trust services	(83,832)	(69,987)	(236,570)	(189,071)
Settlement and delivery services	(50,924)	(45,202)	(141,100)	(115,594)
Futures commission	(32,357)	(32,507)	(97,796)	(106,749)
Others	<u>(190,262)</u>	<u>(179,270)</u>	<u>(567,133)</u>	<u>(469,128)</u>
	<u>(965,276)</u>	<u>(852,317)</u>	<u>(2,781,311)</u>	<u>(2,300,050)</u>
Net amount	<u>\$ 5,081,359</u>	<u>\$ 4,082,644</u>	<u>\$ 15,793,044</u>	<u>\$ 11,509,149</u>

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Disposal gain (loss) on financial assets and liabilities at fair value through profit or loss				
Operating securities - proprietary	\$ 841,749	\$ 1,825,203	\$ 7,118,651	\$ 3,580,889
Stocks	66,382	86,852	232,997	229,884
Operating securities - hedging	(542,449)	4,240	162,810	212,003
Corporate bonds	(1,208)	(177,932)	30,572	(429,360)
Securities lending and short sales bonds under resell agreements transactions	(548,398)	(519,600)	(1,756,034)	(1,052,181)
Currency swap contracts	1,342,299	1,145,412	4,870,597	2,717,373
Forward exchange contracts	(704,566)	314,335	906,995	737,932
Interest rate swap contracts	237,527	709,967	434,608	1,440,709
Option contracts	51,819	15,713	241,242	(114,636)
Operating securities-underwriting	67,152	68,224	162,601	120,248
Issuance of call (put) warrants	(704,674)	77,548	(613,921)	516,712
Asset swap contracts	(288,756)	(129,409)	(898,234)	(434,112)
Futures contracts	1,048,782	(1,621,833)	(2,734,685)	(2,684,137)
Others	29,137	(77,335)	(36,617)	(114,529)
	<u>894,796</u>	<u>1,721,385</u>	<u>8,121,582</u>	<u>4,726,795</u>
Unrealized gain (loss) on financial assets and liabilities at fair value through profit or loss				
Stocks	(89,579)	(195,237)	268,982	(22,454)
Operating securities - hedging	(225,710)	(101,204)	54,825	(12,026)
Corporate bonds	64,452	115,075	20,339	484,626
Operating securities - proprietary	(1,542,098)	(556,331)	(45,252)	1,380,797
Bank debentures	19,311	(63,046)	(71,119)	(109,086)
Securities lending and short sales bonds under resell agreements transactions	339,894	625,786	(100,402)	(711,831)
Future margin - marketable securities	(290,177)	(174,579)	(112,125)	35,193
Forward exchange contracts	(436,452)	295,311	841,632	661,061
Issuance of call (put) warrants	1,306,343	72,754	709,304	(478,940)
Interest rate swap contracts	(630,714)	543,105	202,449	46,040
Currency swap contracts	679,654	630,597	180,821	1,077,442
Futures contracts	569,610	397,884	178,473	47,840
Option contracts	399,516	(1,069,273)	44,194	(595,791)
Asset swap contracts	549,676	(125,256)	(349,401)	(478,240)
Others	90,232	(75,867)	23,810	(24,034)
	<u>803,958</u>	<u>319,719</u>	<u>1,846,530</u>	<u>1,300,597</u>
Interest income	<u>537,056</u>	<u>337,125</u>	<u>1,491,081</u>	<u>810,827</u>
Dividend income	<u>518,683</u>	<u>787,150</u>	<u>865,669</u>	<u>1,485,364</u>
	<u>\$ 2,754,493</u>	<u>\$ 3,165,379</u>	<u>\$ 12,324,862</u>	<u>\$ 8,323,583</u>

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Dividend income				
Held at the end of the reporting period	\$ 342,256	\$ 707,962	\$ 615,794	\$ 1,416,421
Disposed in the reporting period	300,857	185,375	407,657	222,224
Gain (loss) from disposal of debt instruments	<u>73,006</u>	<u>(84,536)</u>	<u>472,914</u>	<u>7,641</u>
	<u>\$ 716,119</u>	<u>\$ 808,801</u>	<u>\$ 1,496,365</u>	<u>\$ 1,646,286</u>

39. REVERSAL OF IMPAIRMENT LOSS ON ASSETS

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Reversal of impairment losses (impairment losses) on other financial assets	\$ (62,534)	\$ (43,674)	\$ (51,597)	\$ 32,929
Others	<u>3,832</u>	<u>561</u>	<u>(25,866)</u>	<u>5,491</u>
	<u>\$ (58,702)</u>	<u>\$ (43,113)</u>	<u>\$ (77,463)</u>	<u>\$ 38,420</u>

40. NET OTHER REVENUE OTHER THAN INTEREST INCOME

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Securities lending	\$ 192,169	\$ 141,340	\$ 549,305	\$ 438,970
Operating assets rental income	40,777	46,218	123,872	141,523
Stock affairs agent revenue	41,539	39,650	112,640	106,679
Overdue account recovery	2,374	662	41,897	2,356
Rental income	13,157	13,902	39,534	42,796
Transaction bonus	8,341	5,853	22,609	17,640
Expense arising from issuance of call (put) warrants	(70,249)	(42,499)	(215,199)	(114,324)
Others	<u>41,096</u>	<u>20,036</u>	<u>132,869</u>	<u>69,529</u>
	<u>\$ 269,204</u>	<u>\$ 225,162</u>	<u>\$ 807,527</u>	<u>\$ 705,169</u>

41. EMPLOYEE BENEFITS EXPENSES

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Salaries and wages	\$ 4,782,316	\$ 4,291,157	\$ 14,102,159	\$ 11,815,111
Labor insurance and national health insurance	259,472	234,895	837,236	766,749
Pension costs	143,110	128,456	424,640	388,970
Share-based payment transaction				
Equity-settled (Note 34)	-	-	-	150,580
Cash-settled	6,278	(3,951)	16,268	14,608
Others	<u>302,771</u>	<u>281,612</u>	<u>882,869</u>	<u>846,255</u>
	<u>\$ 5,493,947</u>	<u>\$ 4,932,169</u>	<u>\$ 16,263,172</u>	<u>\$ 13,982,273</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 nine months ended September 30, 2024 and 2023, the compensation were \$1,890 and \$1,563, respectively and the remuneration of directors were \$41,587 and \$37,503, 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 September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Depreciation expense				
Land improvements	\$ 109	\$ 126	\$ 272	\$ 377
Buildings	52,502	55,034	157,208	164,898
Machinery and computer equipment	105,202	104,012	318,050	312,076
Transportation equipment	23,320	24,243	63,973	70,111
Other equipment	37,334	33,887	108,729	99,584
Leasehold improvements	30,550	26,256	92,267	77,938
Right-of-use assets	<u>262,503</u>	<u>252,342</u>	<u>774,242</u>	<u>723,006</u>
	<u>511,520</u>	<u>495,900</u>	<u>1,514,741</u>	<u>1,447,990</u>
Amortization expense	<u>116,408</u>	<u>112,766</u>	<u>356,046</u>	<u>322,814</u>
	<u>\$ 627,928</u>	<u>\$ 608,666</u>	<u>\$ 1,870,787</u>	<u>\$ 1,770,804</u>

43. OTHER GENERAL AND ADMINISTRATIVE EXPENSES

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Taxation and fees	\$ 775,577	\$ 614,194	\$ 2,088,444	\$ 1,750,984
Automated equipment	340,899	294,300	1,000,480	892,170
Marketing	207,910	166,888	519,528	448,049
Professional advisory	183,732	129,320	506,297	400,684
Location fee	143,730	123,683	381,087	341,674
Insurance	124,246	123,889	372,228	356,159
Communications expense	110,839	103,527	337,309	322,510
Borrowing expense	102,628	81,715	304,883	253,631
Others	<u>331,249</u>	<u>310,503</u>	<u>1,006,254</u>	<u>906,290</u>
	<u>\$ 2,320,810</u>	<u>\$ 1,948,019</u>	<u>\$ 6,516,510</u>	<u>\$ 5,672,151</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 September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
	Basic EPS	<u>\$ 0.49</u>	<u>\$ 0.44</u>	<u>\$ 1.45</u>
Diluted EPS	<u>\$ 0.49</u>	<u>\$ 0.44</u>	<u>\$ 1.45</u>	<u>\$ 1.26</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 September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
	Net income for calculating basic EPS	\$ 6,263,308	\$ 5,612,241	\$ 18,448,677
Effect of potentially dilutive common stock:				
Preferred shares	<u>486</u>	<u>348</u>	<u>1,244</u>	<u>915</u>
Net income for calculating diluted EPS	<u>\$ 6,263,794</u>	<u>\$ 5,612,589</u>	<u>\$ 18,449,921</u>	<u>\$ 15,712,660</u>

Shares

Shares in Thousands

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
	The weighted-average number of common stock outstanding in the computation of basic EPS	12,685,851	12,685,851	12,685,851
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>12,695,851</u>	<u>12,695,851</u>	<u>12,695,851</u>	<u>12,486,176</u>

When calculating the EPS, the 2023 EPS was retrospectively adjusted for the effects of the bonus stock issuance on August 28, 2024. Thus, the basic EPS for the three months ended September 30, 2023 and for the nine months ended September 30, 2023 decrease from NT\$0.45 and NT\$1.29 to NT\$0.44 and NT\$1.26, respectively, diluting earnings per share from NT\$0.45 and NT\$1.29 to NT\$0.44 and NT\$1.26, respectively.

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.

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

<u>Related Party</u>	<u>Relationship with the Group</u>
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 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
E Ink Holdings Inc. (E Ink Holdings)	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
Taiwan Futures Exchange (TAIFEX)	Affiliate of SinoPac Futures's general manager (before July 2024)
Pegatron Corporation (Pegatron)	Affiliate of SinoPac Securities' director (before July 2024)
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
Asia Cement Corporation (Asia Cement)	Affiliate of SinoPac Securities' director (before July 2024)
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
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

(Continued)

Related Party	Relationship with the Group
Kim Great Co., Ltd. (Kim Great)	Affiliate of second-degree kin of Bank SinoPac's manager (before October 2023)
Kinpo Electronics, Inc. (Kinpo Electronics)	Affiliate of second-degree-in-laws of Bank SinoPac's manager
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
Sun He Energy Co., Ltd. (Sun He Energy)	Related party (before July 2024)
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
Rich Optronics (Yangzhou) Co., Ltd. (Rich Optronics (Yangzhou))	Related party
TaiGen Biotechnology Co., Ltd. (TaiGen Biotechnology)	Related party
Transyork Technology Yangzhou Ltd. (Transyork Technology Yangzhou)	Related party
E Ink Technology B.V.	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 Investment Co., Ltd. (YFY Investment)	Related party
YFY Packaging (Yangzhou) Investment Co., Ltd. (YFY Packaging (Yangzhou))	Related party
ScinoPharm Taiwan, Ltd. (ScinoPharm Taiwan)	Related party
Fu Hua Development Enterprise Co., Ltd. (Fu Hua Development)	Related party
Beautone Co., Ltd. (Beautone)	Related party
MiCareo Inc.	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

	September 30, 2024	December 31, 2023	September 30, 2023
SinoPac Securities and its subsidiaries			
Bank deposits			
Others	\$ 2,954	\$ 2,920	\$ 2,920
Excess margin of futures			
TAIFEX	-	349,066	477,338
Short-term notes			
Grand Bills	429,570	917,576	918,303
SinoPac Leasing and its subsidiaries			
Bank deposits			
Others	65	69	69

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

	September 30, 2024		For the Nine Months Ended September 30, 2024
	Ending Balance	Interest Rate (%)	Interest Income
Bank SinoPac and its subsidiaries			
Call loans to banks			
Hua Nan Bank	\$ 1,272,435	0.25-5.53	\$ 53,775
		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 Nine Months Ended September 30, 2023
		September 30, 2023	Interest Income
	Ending Balance	Interest Rate (%)	
Bank SinoPac and its subsidiaries			
Call loans to banks			
Hua Nan Bank	\$ 2,199,689	0.15-6.8	\$ 45,293

3) Financial assets at fair value through profit or loss

	September 30, 2024	December 31, 2023	September 30, 2023
SinoPac Securities and its subsidiaries			
Chunghwa Telecom	\$ 156,014	\$ 66,396	\$ 79,169
E Ink Holdings	118,366	26,843	30,462
GUC	116,104	30,408	63,690
EMC	58,638	95,356	385,259
TAIFEX	-	2,247,894	1,767,234
Others	812,716	407,664	301,431
SinoPac Securities Investment Trust			
Others	10,005	8,933	8,803
SinoPac Venture Capital			
TaiGen Biopharmaceuticals	299,675	312,803	297,513
Others	129,480	177,225	178,288

4) Derivative financial instruments

	September 30, 2024				
	Contract (Notional) Amount	Contract Period	Valuation Gains or Losses	Account	Balance
Bank SinoPac and its subsidiaries					
Currency swap contracts					
Hua Nan Bank	\$ 1,582,815	2024.4.24- 2025.5.19	\$ 11,922	Financial assets at fair value through profit or loss	\$ 11,922
Hua Nan Bank	5,223,290	2024.1.8- 2025.5.9	(51,946)	Financial liabilities at fair value through profit or loss	51,946
TGL	14,561,898	2024.6.3- 2025.9.30	(153,459)	Financial liabilities at fair value through profit or loss	153,459
Interest rate swap contracts					
Hua Nan Bank	11,197,835	2020.11.13- 2034.9.11	205,091	Financial assets at fair value through profit or loss	656,979
Hua Nan Bank	22,604	2022.7.27- 2025.7.28	(115)	Financial liabilities at fair value through profit or loss	36
Forward exchange contracts					
TGL	791,152	2024.8.30- 2024.11.6	8,795	Financial assets at fair value through profit or loss	8,795
TGL	1,272,439	2024.9.10- 2024.11.25	(6,852)	Financial liabilities at fair value through profit or loss	6,852
YFY International	617,298	2024.1.5- 2025.8.25	6,832	Financial assets at fair value through profit or loss	6,832
China Airlines	63,313	2024.4.18- 2024.11.29	199	Financial assets at fair value through profit or loss	199
SinoPac Securities and its subsidiaries					
Asset exchange option contracts					
Grand Bills	253,500	2021.8.13- 2027.5.24	51,295	Financial liabilities at fair value through profit or loss	10,997

December 31, 2023				
	Contract (Notional) Amount	Contract Period	Account	Balance
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

September 30, 2023					
	Contract (Notional) Amount	Contract Period	Valuation Gains or Losses	Account	Balance
Bank SinoPac and its subsidiaries					
Currency swap contracts					
Hua Nan Bank	\$ 645,770	2022.7.13- 2023.10.5	\$ 49,056	Financial assets at fair value through profit or loss	\$ 67,995
Hua Nan Bank	9,363,671	2023.2.13- 2024.8.12	(297,560)	Financial liabilities at fair value through profit or loss	297,560
TGL	21,520,060	2023.6.1- 2024.1.22	606,516	Financial assets at fair value through profit or loss	606,516
TGL	2,809,101	2023.9.21- 2024.2.5	(924)	Financial liabilities at fair value through profit or loss	924
Interest rate swap contracts					
Hua Nan Bank	11,935,614	2020.11.13- 2032.8.22	206,244	Financial assets at fair value through profit or loss	676,431
Forward exchange contracts					
TGL	124,626	2023.8.7- 2023.11.9	7,089	Financial assets at fair value through profit or loss	7,089
TGL	980,621	2023.1.16- 2024.4.18	(35,006)	Financial liabilities at fair value through profit or loss	35,006
YFY International	484,328	2023.1.13- 2024.8.23	(20,174)	Financial liabilities at fair value through profit or loss	20,174
Cross-currency swap contracts					
Hua Nan Bank	2,762,050	2023.2.3- 2024.4.29	(184,678)	Financial liabilities at fair value through profit or loss	184,678
SinoPac Securities and its subsidiaries					
Asset exchange option contracts					
Grand Bills	317,500	2021.8.13- 2026.8.17	14,705	Financial assets at fair value through profit or loss	34,357

5) Financial assets at fair value through other comprehensive income

	September 30, 2024	December 31, 2023	September 30, 2023
Bank SinoPac and its subsidiaries			
Equity instruments			
TAIFEX	\$ -	\$ 348,266	\$ 325,224
Others	21,787	21,379	21,808
SinoPac Securities and its subsidiaries			
Equity instruments			
Chunghwa Telecom	-	517,920	-
TAIFEX	-	327,369	305,710
SinoPac Venture Capital			
Equity instruments			
Sun He Energy	-	119,880	118,781
Others	84,012	83,785	81,921

6) Securities purchased under resell agreements

	September 30, 2024		For the Nine Months Ended September 30, 2024
	Face Amount	Carrying Amount	Interest Income
SinoPac Securities and its subsidiaries			
Grand Bills	\$ 1,123,799	\$ 985,427	\$ 82,955
		December 31, 2023	
		Face Amount	Carrying Amount
SinoPac Securities and its subsidiaries			
Grand Bills		\$ 1,091,713	\$ 932,342
			For the Nine Months Ended September 30, 2023
		Face Amount	Interest Income
SinoPac Securities and its subsidiaries			
Grand Bills	\$ 1,146,242	\$ 931,302	\$ 24,486
Others	-	-	103

7) Receivables

	September 30, 2024	December 31, 2023	September 30, 2023
Bank SinoPac and its subsidiaries			
Others	\$ 257,970	\$ 251,228	\$ 240,994
SinoPac Securities and its subsidiaries			
Others	34,133	74,666	114,040
SinoPac Securities Investment Trust			
Others	28,690	26,718	22,362

8) Loans

For the Nine Months Ended September 30, 2024

Ending Balance	Highest Balance	Interest/ Fee Rates (%)	Interest Income
<u>\$ 11,373,989</u>	<u>\$ 12,740,480</u>	0-14.63	<u>\$ 185,064</u>

Category	September 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	214	\$ 273,163	\$ 244,866	V	-	Real estate and vehicle	Yes
Household mortgage loans	1,190	8,248,169	7,815,389	V	-	Real estate	Yes
Others:							
	Kinpo Electronics	327,500	327,500	V	-	None, Note 1	Yes
	Jhong Cing Investment	51,147	48,504	V	-	Real estate	Yes
	Hao-Xin-Di	5,975	5,321	V	-	Real estate	Yes
	Hotai Investment	756	138	V	-	Vehicle	Yes
	Zetai Investment	525	262	V	-	Vehicle	Yes
	Others	3,833,245	2,932,009	V	-	Real estate and vehicle	Yes
	Others subtotal	4,219,148	3,313,734				
	Total	\$ 12,740,480	\$ 11,373,989				

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 Nine Months Ended September 30, 2023

Ending Balance	Highest Balance	Interest/ Fee Rates (%)	Interest Income
<u>\$ 10,599,412</u>	<u>\$ 11,426,862</u>	0-12.90	<u>\$ 141,635</u>

Category	September 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	197	\$ 274,599	\$ 250,588	V	-	Real estate and vehicle	Yes
Household mortgage loans	1,172	7,868,173	7,519,771	V	-	Real estate	Yes
Others:							
	Jhong Cing Investment	54,634	52,024	V	-	Real estate	Yes
	Kim Great	40,670	38,518	V	-	Real estate	Yes
	Hao-Xin-Di	6,833	6,191	V	-	Real estate	Yes
	Hotai Investment	1,581	963	V	-	Vehicle	Yes
	Zetai Investment	875	612	V	-	Vehicle	Yes
	Others	3,179,497	2,730,745	V	-	Real estate, certificates of deposits, securities and vehicle	Yes
	Others subtotal	3,284,090	2,829,053				
	Total	\$ 11,426,862	\$ 10,599,412				

Note 1: Non-related party of Bank SinoPac at the loan's signing date.

Note 2: 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

	September 30, 2024	December 31, 2023	September 30, 2023
SinoPac Securities and its subsidiaries			
Customer's margin accounts			
TAIFEX	\$ -	\$ 8,397,486	\$ 6,622,069

10) Property and equipment

In the nine months ended September 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 nine months ended September 30, 2024 and 2023, Bank SinoPac and its subsidiaries purchased property and equipment from its related parties for a total price of \$8,371 and \$12,390, respectively, recognized as machinery and computer equipment and prepayments for equipment.

In the nine months ended September 30, 2024 and 2023, SinoPac Securities and its subsidiaries purchased property and equipment from its related parties for a total price of \$4,919 and \$3,710, respectively, recognized as machinery and computer equipment and prepayments for equipment.

11) Intangible assets

In the nine months ended September 30, 2023, the Company purchased computer software from its related parties for a total price of \$763. (In the nine months ended September 30, 2024: None).

In the nine months ended September 30, 2024 and 2023, Bank SinoPac and its subsidiaries purchased computer software from its related parties for a total price of \$22,570 and \$31,598, respectively, recognized as intangible assets.

In the nine months ended September 30, 2024 and 2023, SinoPac Securities and its subsidiaries purchased computer software from its related parties for a total price of \$1,150 and \$4,045, respectively, recognized as intangible assets.

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

In the nine months ended September 30, 2023, SinoPac Securities Investment Trust and its subsidiaries purchased computer software from its related parties for a total price of \$376. (In the nine months ended September 30, 2023: None).

12) Other assets

	September 30, 2024	December 31, 2023	September 30, 2023
Bank SinoPac and its subsidiaries			
Guarantee deposits			
TAIFEX	\$ -	\$ 113,192	\$ 94,880
Others	890	1,707	1,706
Prepayments			
Others	49	12	13
Clearing and settlement fund			
TAIFEX	-	20,000	20,000
SinoPac Securities and its subsidiaries			
Clearing and settlement fund			
TAIFEX	-	235,128	223,794
Guarantee deposits			
Others	2,322	2,320	2,320
Prepayments			
Others	500	1,381	48
Temporary payment			
Others	-	-	1
SinoPac Securities Investment Trust			
Guarantee deposits			
Others	185	185	5
SinoPac Leasing and its subsidiaries			
Guarantee deposits			
Others	36	658	656
Prepayments			
Others	-	1	4

Bank SinoPac and its subsidiaries signed an agreement with other related parties for the purchase. Bank SinoPac and its subsidiaries paid \$32,173 and \$16,231 for the nine months ended September 30, 2024 and 2023, respectively, which were recognized as prepayments (other assets) or operating expenses.

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

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

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

13) Notes and bonds transaction

	For the Nine Months Ended September 30, 2024	
	Purchase of Notes and Bonds	Sell of Notes and Bonds
SinoPac Securities and its subsidiaries Grand Bills	\$ 113,818,364	\$ 114,306,370
	For the Nine Months Ended September 30, 2023	
	Purchase of Notes and Bonds	Sell of Notes and Bonds
Bank SinoPac and its subsidiaries Others	\$ 49,959	\$ 49,961
SinoPac Securities and its subsidiaries Grand Bills	113,355,006	113,301,121
Hua Nan Bank	10,144,793	11,685,310
Asia Cement	300,000	-
Others	4,177	-

14) Deposits from the Central Bank and banks

	September 30, 2024		For the Nine Months Ended September 30, 2024
	Ending Balance	Interest Rate (%)	Interest Expense
Bank SinoPac and its subsidiaries Hua Nan Bank	\$ -	0.1-5.61	\$ 25,100
	December 31, 2023		
	Ending Balance	Interest Rate (%)	
Bank SinoPac and its subsidiaries Others	\$ -	0.1-5.68	
	September 30, 2023		For the Nine Months Ended September 30, 2023
	Ending Balance	Interest Rate (%)	Interest Expense
Bank SinoPac and its subsidiaries Hua Nan Bank	\$ 645,770	0.1-5.68	\$ 25,589

15) Commercial papers issued

	September 30, 2024		For the Nine Months Ended September 30, 2024
	Face Amount	Interest Rate (%)	Interest Expense
The Company Grand Bills	\$ 500,000	1.508-1.758	\$ 7,292
SinoPac Securities and its subsidiaries Grand Bills	1,000,000	1.42-2	28,389
SinoPac Leasing and its subsidiaries Grand Bills	100,000	1.928	129
	December 31, 2023		For the Nine Months Ended September 30, 2023
	Face Amount	Interest Rate (%)	Interest Expense
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	
	September 30, 2023		For the Nine Months Ended September 30, 2023
	Face Amount	Interest Rate (%)	Interest Expense
The Company Grand Bills	\$ 1,000,000	1.498	\$ 821
SinoPac Securities and its subsidiaries Grand Bills	1,900,000	1.38-1.56	6,282
SinoPac Leasing and its subsidiaries Grand Bills	150,000	1.488-1.808	795

16) Payables

	September 30, 2024	December 31, 2023	September 30, 2023
Bank SinoPac and its subsidiaries Others	\$ 12,505	\$ 21,553	\$ 15,126
SinoPac Securities and its subsidiaries Others	571	30,879	33,263
SinoPac Leasing and its subsidiaries Others	-	-	9

17) Deposits

	September 30, 2024		For the Nine Months Ended September 30, 2024
	Ending Balance	Interest Rate (%)	Interest Expense
Others	\$ 20,688,568	0-13	\$ 440,020
	December 31, 2023		
	Ending Balance	Interest Rate (%)	
Others	\$ 27,544,747	0-13	
	September 30, 2023		For the Nine Months Ended September 30, 2023
	Ending Balance	Interest Rate (%)	Interest Expense
Others	\$ 20,373,891	0-13	\$ 274,116

Deposit details of related party whose amounts are over \$100,000 with Bank SinoPac and its subsidiaries, please refer to Note 45, c.1.11.

18) Bonds payable

Bank SinoPac paid for the interest of bank debenture for nine months ended September 30, 2024 and 2023 in the amount of \$36,360 and \$30,320, respectively.

19) Other financial liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
SinoPac Securities and its subsidiaries			
Futures traders' equity			
Others	\$ 13,637	\$ 24,614	\$ 23,486

20) Lease

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

	September 30, 2024	December 31, 2023	September 30, 2023
Bank SinoPac and its subsidiaries as a lessee			
Lease liabilities			
Chunghwa Telecom	\$ 252,558	\$ 21,348	\$ 32,258
Others	20,282	6,790	7,632
SinoPac Securities and its subsidiaries as a lessee			
Lease liabilities			
Others	2,667	3,412	3,659
SinoPac Leasing and its subsidiaries as a lessee			
Lease liabilities			
Others	-	623	1,554

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 nine months ended September 30, 2024 and 2023, refer to Notes 45.b. 22, 23 and 28.

21) Other liabilities

	September 30, 2024	December 31, 2023	September 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

22) Interest income

	For the Nine Months Ended September 30	
	2024	2023
Bank SinoPac and its subsidiaries		
Others	\$ 10	\$ 4
SinoPac Securities and its subsidiaries		
Others	30,357	23,525
SinoPac Leasing and its subsidiaries		
Others	3	7

23) Interest expense

	For the Nine Months Ended September 30	
	2024	2023
Bank SinoPac and its subsidiaries		
Others	\$ 2,360	\$ 544
SinoPac Securities and its subsidiaries		
Others	66	134
SinoPac Leasing and its subsidiaries		
Others	6	62

24) Service fee and commissions income, net

	For the Nine Months Ended September 30	
	2024	2023
Bank SinoPac and its subsidiaries		
Commissions and fee revenues		
Others	\$ 19,790	\$ 22,661
Commissions and fee expenses		
Others	14,176	16,993
SinoPac Securities and its subsidiaries		
Commissions and fee revenues		
Others	146,550	126,670
Commissions and fee expenses		
TAIFEX	223,945	286,566
Others	3,291	3,484
SinoPac Securities Investment Trust		
Commissions and fee revenues		
Others	245,732	191,105

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

	For the Nine Months Ended September 30	
	2024	2023
SinoPac Securities and its subsidiaries		
Others	\$ 28,930	\$ 27,523
SinoPac Securities Investment Trust		
Others	758	407
SinoPac Venture Capital		
Others	(21,638)	17,741

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

	For the Nine Months Ended September 30	
	2024	2023
Bank SinoPac and its subsidiaries		
Others	\$ 5,848	\$ 19,870
SinoPac Securities and its subsidiaries		
Others	62,969	31,804
SinoPac Venture Capital		
Others	6,489	4,156

27) Net other revenue other than interest income

	For the Nine Months Ended September 30	
	2024	2023
Bank SinoPac and its subsidiaries		
Operating assets rental revenue		
Others	\$ 3,933	\$ 4,650
Other revenues		
Others	1,073	1,190
SinoPac Securities and its subsidiaries		
Stock affairs agent revenue		
Others	14,475	13,856
Other net revenues		
Others	3,619	1,093
SinoPac Venture Capital		
Other revenues		
Others	212	210
SinoPac Leasing and its subsidiaries		
Other expenses		
Others	58	72

28) Operating expenses

	For the Nine Months Ended September 30	
	2024	2023
Donation		
SinoPac Foundation	\$ 30,000	\$ 30,000
Others		
The Company		
Others	4,120	4,899
Bank SinoPac and its subsidiaries		
Others	138,557	172,430
SinoPac Securities and its subsidiaries		
Others	117,898	114,891
SinoPac Securities Investment Trust		
Others	4,440	3,430
SinoPac Venture Capital		
Others	118	70
SinoPac Leasing and its subsidiaries		
Others	3,878	5,363

29) Other transactions

The subsidiaries of SinoPac Securities acquired management shares of SinoPac Multi Strategy Quant Fund Limited, SinoPac Multi-Series Fund II Limited and SinoPac Multi-Series Fund SPC establish in Cayman Islands in the amount of \$6. The management shares were issued to the investment manager in compliance with specific legal procedures, and the holders do not have the rights to participate in profit, assets or distributions of surplus funds.

The terms of the above transactions with related parties were not materially different from those with other unrelated parties.

30) Compensation of key management personnel

	For the Nine Months Ended September 30	
	2024	2023
Short-term employee benefits	\$ 69,503	\$ 75,890
Post-employment benefits	14,041	1,111
Share-based payment	<u>7,199</u>	<u>519</u>
	<u>\$ 90,743</u>	<u>\$ 77,520</u>

The key management personnel are composed of directors, general manager, vice general manager and other employees with higher positions.

c. Related-party transactions amounting to over \$100,000

Bank SinoPac and its subsidiaries

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

	September 30, 2024		For the Nine Months Ended September 30, 2024
	Ending Balance	Interest Rate (%)	Interest Income
Call loans to bank Hua Nan Bank	\$ 1,272,435	0.25-5.53	\$ 53,775
			December 31, 2023
			Ending Balance
			Interest Rate (%)
Call loans to bank Hua Nan Bank		\$ 1,050,408	0.15-6.8

	September 30, 2023		For the Nine Months Ended September 30, 2023
	Ending Balance	Interest Rate (%)	Interest Income
	Call loans to bank Hua Nan Bank	\$ 2,199,689	0.15-6.8

2) Derivative financial instruments

September 30, 2024					
	Contract (Notional) Amount	Contract Period	Valuation Gains or Losses	Account	Balance
Currency swap contracts					
Hua Nan Bank	\$ 1,582,815	2024.4.24- 2025.5.19	\$ 11,922	Financial assets at fair value through profit or loss	\$ 11,922
Hua Nan Bank	5,223,290	2024.1.8- 2025.5.9	(51,946)	Financial liabilities at fair value through profit or loss	51,946
TGL	14,561,898	2024.6.3- 2025.9.30	(153,459)	Financial liabilities at fair value through profit or loss	153,459
Interest rate swap contracts					
Hua Nan Bank	11,197,835	2020.11.13- 2034.9.11	205,091	Financial assets at fair value through profit or loss	656,979
Hua Nan Bank	22,604	2022.7.27- 2025.7.28	(115)	Financial liabilities at fair value through profit or loss	36
Forward exchange contracts					
TGL	791,152	2024.8.30- 2024.11.6	8,795	Financial assets at fair value through profit or loss	8,795
TGL	1,272,439	2024.9.10- 2024.11.25	(6,852)	Financial liabilities at fair value through profit or loss	6,852
YFY International	617,298	2024.1.5- 2025.8.25	6,832	Financial assets at fair value through profit or loss	6,832
China Airlines	63,313	2024.4.18- 2024.11.29	199	Financial assets at fair value through profit or loss	199

December 31, 2023					
	Contract (Notional) Amount	Contract Period		Account	Balance
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

September 30, 2023

	Contract (Notional) Amount	Contract Period	Valuation Gains or Losses	Account	Balance
Currency swap contracts					
Hua Nan Bank	\$ 645,770	2022.7.13- 2023.10.5	\$ 49,056	Financial assets at fair value through profit or loss	\$ 67,995
Hua Nan Bank	9,363,671	2023.2.13- 2024.8.12	(297,560)	Financial liabilities at fair value through profit or loss	297,560
TGL	21,520,060	2023.6.1- 2024.1.22	606,516	Financial assets at fair value through profit or loss	606,516
TGL	2,809,101	2023.9.21- 2024.2.5	(924)	Financial liabilities at fair value through profit or loss	924
Interest rate swap contracts					
SinoPac Securities	375,000	2020.8.11- 2024.8.12	1,414	Financial liabilities at fair value through profit or loss	3,902
Hua Nan Bank	11,935,614	2020.11.13- 2032.8.22	206,244	Financial assets at fair value through profit or loss	676,431
Forward exchange contracts					
TGL	124,626	2023.8.7- 2023.11.9	7,089	Financial assets at fair value through profit or loss	7,089
TGL	980,621	2023.1.16- 2024.4.18	(35,006)	Financial liabilities at fair value through profit or loss	35,006
YFY International	484,328	2023.1.13- 2024.8.23	(20,174)	Financial liabilities at fair value through profit or loss	20,174
Cross-currency swap contracts					
Hua Nan Bank	2,762,050	2023.2.3- 2024.4.29	(184,678)	Financial liabilities at fair value through profit or loss	184,678

3) Financial assets at fair value through other comprehensive income

	September 30, 2024	December 31, 2023	September 30, 2023
Equity instruments			
TAIFEX	\$ -	\$ 348,266	\$ 325,224

4) Securities purchased under resell agreements

	September 30, 2024		For the Nine Months Ended September 30, 2024
	Face Amount	Carrying Amount	Interest Income
SinoPac Securities	\$ 100,000	\$ 75,189	\$ 639

5) Current income tax assets and liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
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>\$ 870,240</u>	<u>\$ 1,170,711</u>	<u>\$ 1,161,287</u>

6) Loans

For the Nine Months Ended September 30, 2024

Ending Balance	Highest Balance	Interest/ Fee Rates (%)	Interest Income
<u>\$ 11,773,989</u>	<u>\$ 13,140,480</u>	0-14.63	<u>\$ 188,397</u>

Category	September 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	214	\$ 273,163	\$ 244,866	V	-	Real estate and vehicle	Yes
Household mortgage loans	1,190	8,248,169	7,815,389	V	-	Real estate	Yes
Others:							
	SPL	400,000	400,000	V	-	Real estate	Yes
	Kinpo Electronics	327,500	327,500	V	-	None, Note 1	Yes
	Jhong Cing Investment	51,147	48,504	V	-	Real estate	Yes
	Hao-Xin-Di	5,975	5,321	V	-	Real estate	Yes
	Hotai Investment	756	138	V	-	Vehicle	Yes
	Zetai Investment	525	262	V	-	Vehicle	Yes
	Others	3,833,245	2,932,009	V	-	Real estate and vehicle	Yes
	Others subtotal	4,619,148	3,713,734				
	Total	\$ 13,140,480	\$ 11,773,989				

For the Year Ended December 31, 2023

Ending Balance	Highest Balance	Interest/ Fee Rates (%)
<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 Nine Months Ended September 30, 2023

Ending Balance	Highest Balance	Interest/ Fee Rates (%)	Interest Income
<u>\$ 10,599,412</u>	<u>\$ 11,496,862</u>	0-12.90	<u>\$ 141,826</u>

Category	September 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	197	\$ 274,599	\$ 250,588	V	-	Real estate and vehicle	Yes
Household mortgage loans	1,172	7,868,173	7,519,771	V	-	Real estate	Yes
Others:							
	SPL	70,000	-	V	-	Real estate	Yes
	Jhong Cing Investment	54,634	52,024	V	-	Real estate	Yes
	Kim Great	40,670	38,518	V	-	Real estate	Yes
	Hao-Xin-Di	6,833	6,191	V	-	Real estate	Yes
	Hotai Investment	1,581	963	V	-	Vehicle	Yes
	Zetai Investment	875	612	V	-	Vehicle	Yes
	Others	3,179,497	2,730,745	V	-	Real estate, certificates of deposits, securities and vehicle	Yes
	Others subtotal	3,354,090	2,829,053				
	Total	\$ 11,496,862	\$ 10,599,412				

Note 1: Non-related party of Bank SinoPac at the loan's signing date.

Note 2: 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

	September 30, 2024	December 31, 2023	September 30, 2023
Guarantee deposits TAIFEX	\$ -	\$ 113,192	\$ 94,880

8) Notes and bonds transaction

	For the Nine Months Ended September 30, 2024	
	Purchase of Notes and Bonds	Sell of Notes and Bonds
SinoPac Securities	\$ -	\$ 600,000
	For the Nine Months Ended September 30, 2023	
	Purchase of Notes and Bonds	Sell of Notes and Bonds
SinoPac Securities	\$ -	\$ 1,600,000

9) Deposits from the Central Bank and banks

	September 30, 2023		For the Nine Months Ended September 30, 2023
	Ending Balance	Interest Rates (%)	Interest Expense
Hua Nan Bank	\$ 645,770	0.1-5.68	\$ 25,589

10) Payables

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

11) Deposits

	September 30, 2024	
	Ending Balance	Interest Rates (%)
SinoPac Securities	\$ 11,371,680	0-2
TGL	3,605,480	0.1-1
E Ink Holdings	2,113,219	0-1.69
SinoPac Securities (Asia)	1,478,307	0-1.25
GUC	1,416,567	0.002-1.635
China Airlines	791,408	5.45
Hsin-Yi Foundation	773,376	0.01-5.2
Hsinex International	342,761	0.1-5.15
China Color Printing	297,643	0.655-1.69
Transyork Technology Yangzhou	285,120	0.05-6
Yuanhan Materials	267,148	0.002-1.69
TaiGen Biotechnology	248,003	0-5.3
ScinoPharm Taiwan	234,075	0.545-1.69
Xing Yuan	190,033	0.002-5.35
E Ink Technology B.V.	177,116	0.4-5.1
SPIL	165,593	0.35-1.35
SinoPac Securities Investment Service	163,446	0-5.1
SinoPac Futures	161,181	0.002-1
SPH	150,721	0-0.655
SPL	143,870	0-1
Ting-Fong Investment	142,330	0-0.655
Yong Hsin Yi Enterprise	123,087	0.655-5.4
Fu Hua Development	112,809	0.655-1.69
SinoPac Securities Venture Capital	105,018	0.655

	December 31, 2023	
	Ending Balance	Interest Rates (%)
TGL	\$ 7,422,733	0.2-1.15
SinoPac Securities	5,623,878	0-2
Pegatron	3,116,849	0.2-1.15
E Ink Holdings	1,058,508	0-1.565
GUC	975,932	0.001-1.51
Hsin-Yi Foundation	828,083	0.01-5.5
Uni-President Enterprises (China)	649,629	3.45
Rich Optronics (Yangzhou)	584,999	0.05-5.70
ScinoPharm Taiwan	532,913	0.53-1.565
Transcend Optronics (Yangzhou)	460,114	0.05-5.70
TaiGen Biotechnology	432,918	0-5.6
TAIFEX	400,444	0.53-1.51
Transyork Technology Yangzhou	277,457	0.05-6
China Color Printing	272,397	0.53-1.565
SinoPac Securities (Asia)	262,828	0-2.75
Hsin Yi Recreation	240,236	0.53-5.3
Chung-Hua Institution for Economic Research	204,952	0.53-1.59
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

	September 30, 2023	
	Ending Balance	Interest Rates (%)
SinoPac Securities	\$ 4,377,835	0-2
TGL	3,980,057	0.2-1.15
E Ink Holdings	1,631,971	0-1.565
Hsin-Yi Foundation	757,851	0.01-1.565
SPH	549,681	0-0.53
ScinoPharm	531,322	0.53-1.565
SinoPac Securities (Asia)	458,278	0-2.75
TAIFEX	400,456	0.53-1.51
BAROC	396,264	0-1.58
Yuanhan Materials	376,230	0.001-1.565
GUC	362,841	0.001-1.51
Rich Optronics (Yangzhou)	313,467	0.05-5.7
Taiwan Riken Industrial	305,337	0.001-1.32
Hsin Yi Recreation	284,210	0.53-1.51
Transyork Technology Yangzhou	283,423	0.05-6.15

(Continued)

	September 30, 2023	
	Ending Balance	Interest Rates (%)
China Color Printing	\$ 271,060	0.53-1.565
Dream Universe Limited	242,459	0.05-5.65
TaiGen Biotechnology	215,005	0-5.6
Hsinex International	211,363	0.2-5.3
SinoPac Securities Investment Service	168,703	0-5.3
SinoPac Capital International (HK)	161,692	0.125-1.15
Yong Hsin Yi Enterprise	156,395	0.53-5.33
Shin Yuan Investment	149,151	0.001-5.2
Beautone	144,273	0-5.55
YFY Investment	135,324	0.05-5.42
YFY Packaging (Yangzhou)	132,287	0.35-1.55
Ting-Fong Investment	130,177	0-0.53
SinoPac Securities Venture Capital	124,513	0.53
Taiwan Creative	104,380	0.53
MiCareo Inc.	103,770	1.15
Guanyu Investment	101,171	0-5
		(Concluded)

12) Commissions and fee revenues

	For the Nine Months Ended September 30	
	2024	2023
Commissions and fee revenues		
SinoPac Securities	<u>\$ 168,200</u>	<u>\$ 42,534</u>

13) Lease

Bank SinoPac and its subsidiaries as a lessee.

	For the Nine Months Ended September 30		
	2024	2023	
Acquisition of right-of-use-assets			
Chunghwa Telecom	<u>\$ 269,343</u>	<u>\$ 3,040</u>	
	September 30, 2024	December 31, 2023	September 30, 2023
Lease liabilities			
SPL	\$ 568,804	\$ 570,871	\$ 577,549
Chunghwa Telecom	252,558	21,348	32,258

SinoPac Securities and its subsidiaries

1) Cash and cash equivalents

	September 30, 2024	December 31, 2023	September 30, 2023
Bank deposits			
Bank SinoPac	\$ 10,653,435	\$ 4,097,754	\$ 2,945,483
Excess futures margin			
TAIFEX	-	349,066	477,338
Short-term bills			
Grand Bills	<u>429,570</u>	<u>917,576</u>	<u>918,303</u>
	<u>\$ 11,083,005</u>	<u>\$ 5,364,396</u>	<u>\$ 4,341,124</u>

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

	September 30, 2024	December 31, 2023	September 30, 2023
2) Customer margin deposits			
TAIFEX	<u>\$ -</u>	<u>\$ 8,397,486</u>	<u>\$ 6,622,069</u>
3) Current financial assets at fair value through profit or loss			
Futures margin - own funds			
TAIFEX	\$ -	\$ 556,117	\$ 546,683
Future margin - securities			
TAIFEX	-	1,691,777	1,220,551
Operating securities (non-equity investments)			
EMC	518	68,000	150,450
Listed shares			
EMC	58,120	27,356	234,809
GUC	116,104	30,408	63,690
E Ink Holdings	118,366	26,843	30,462
Chunghwa Telecom	<u>156,014</u>	<u>66,396</u>	<u>79,169</u>
	<u>\$ 449,122</u>	<u>\$ 2,466,897</u>	<u>\$ 2,325,814</u>
4) Derivative financial instruments - contract (notional) amount			
Interest rate swap contracts			
Bank SinoPac	<u>\$ -</u>	<u>\$ 375,000</u>	<u>\$ 375,000</u>
Assets swap options			
Grand Bills	<u>\$ 253,500</u>	<u>\$ 272,500</u>	<u>\$ 317,500</u>

	September 30, 2024	December 31, 2023	September 30, 2023
5) Securities purchased under resell agreements			
Grand Bills	\$ <u>985,427</u>	\$ <u>932,342</u>	\$ <u>931,302</u>
6) Current income tax assets			
SPH	\$ <u>329,964</u>	\$ <u>300,406</u>	\$ <u>339,838</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	\$ 682,344	\$ 683,215	\$ 714,836
TAIFEX	<u> -</u>	<u> 235,128</u>	<u> 223,794</u>
	<u>\$ 682,344</u>	<u>\$ 918,343</u>	<u>\$ 938,630</u>
9) Financial assets at fair value through other comprehensive income			
Chunghwa Telecom	\$ -	\$ 517,920	\$ -
TAIFEX	<u> -</u>	<u> 327,369</u>	<u> 305,710</u>
	<u>\$ -</u>	<u>\$ 845,289</u>	<u>\$ 305,710</u>
10) Commercial papers issued - face amount			
Grand Bills	\$ <u>1,000,000</u>	\$ <u>2,500,000</u>	\$ <u>1,900,000</u>
11) Futures traders' equity			
Bank SinoPac	\$ <u>102,623</u>	\$ <u>71,290</u>	\$ <u>64,790</u>
12) Current income tax liabilities			
SPH	\$ <u>464,530</u>	\$ <u>166,033</u>	\$ <u>107,507</u>
13) Notes and bonds transaction			
		For the Nine Months Ended September 30, 2024	
		Purchase of Notes and Bonds	Sell of Notes and Bonds
Grand Bills		\$ 113,818,364	\$ 114,306,370
Bank SinoPac		600,000	-

	For the Nine Months Ended September 30, 2023	
	Purchase of Notes and Bonds	Sell of Notes and Bonds
Grand Bills	\$ 113,355,006	\$ 113,301,121
Hua Nan Bank	10,144,793	11,685,310
Bank SinoPac	1,600,000	-
Asia Cement	300,000	-

14) Brokerage fee expense

	For the Nine Months Ended September 30	
	2024	2023
TAIFEX	<u>\$ 129,588</u>	<u>\$ 166,422</u>

15) Settlement and delivery services

	For the Nine Months Ended September 30	
	2024	2023
TAIFEX	<u>\$ 90,447</u>	<u>\$ 115,594</u>

SinoPac Venture Capital

	September 30, 2024	December 31, 2023	September 30, 2023
1) Financial assets at fair value through profit or loss			
TaiGen Biopharmaceuticals	<u>\$ 299,675</u>	<u>\$ 312,803</u>	<u>\$ 297,513</u>
2) Financial assets at fair value through other comprehensive income			
Sun He Energy	<u>\$ -</u>	<u>\$ 119,880</u>	<u>\$ 118,781</u>

SinoPac Leasing and its subsidiaries

	September 30, 2024	December 31, 2023	September 30, 2023
1) Cash and cash equivalents			
Bank deposits			
Bank SinoPac	\$ 219,810	\$ 138,674	\$ 213,254
Bank SinoPac (China)	<u>165,593</u>	<u>91,787</u>	<u>73,026</u>
	<u>\$ 385,403</u>	<u>\$ 230,461</u>	<u>\$ 286,280</u>
2) Current income tax assets			
SPH	<u>\$ 306,666</u>	<u>\$ 306,666</u>	<u>\$ 306,666</u>
3) Commercial papers issued - face amount			
Grand Bills	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 150,000</u>
4) Long-term borrowings			
Bank SinoPac	<u>\$ 400,000</u>	<u>\$ -</u>	<u>\$ -</u>
5) As of September 30, 2024, December 31, 2023 and September 30, 2023, borrowings and derivative financial instruments from Bank SinoPac for SinoPac Leasing and its subsidiaries totaling \$940,282, \$977,762 and \$985,443, 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 September 30, 2024, December 31, 2023 and September 30, 2023:

Restricted Assets	Object	September 30, 2024	December 31, 2023	September 30, 2023	Remarks
Financial assets at fair value through other comprehensive income	Bank debentures	\$ -	\$ 1,429,184	\$ -	Note 1
Investment in debt instruments at amortized cost	Certificates of deposits	5,158,282	5,153,762	8,266,443	Note 2
Investment in debt instruments at amortized cost	Government bonds	1,336,149	1,495,035	1,734,922	Note 3
Discounts and loans	Loans	17,220,004	18,924,490	20,917,161	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	713,770	714,590	715,052	Note 5
Properties and equipment	Land and buildings	1,005,351	1,018,718	1,023,173	Note 5
Right-of-use assets	Land and surface rights	888,232	903,211	912,233	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 September 30, 2024, December 31, 2023 and September 30, 2023 are as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Trust assets	\$ 1,150,209,650	\$ 1,012,540,113	\$ 984,646,638
Securities under custody	244,355,468	225,139,963	229,564,192
Agent for government bonds	101,644,600	91,850,400	95,216,100
Receipts under custody	26,242,900	24,180,694	25,185,480
Appointment of investment	10,611,090	7,698,253	7,640,612
Deposit guarantee promissory notes	10,000,000	500,000	1,126,600
Agent for short-term securities under custody	8,883,170	10,614,800	10,916,900
Guarantee notes payable	6,005,182	5,764,662	8,880,243
Goods under custody	1,375,508	899,254	951,354
Entrusted loans	444,107	-	-
Consignment underwriting of securities	-	-	845,770

As of September 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 or the later date between the expiration of the tax refund application and the effective deadline. Subsequently, in coordination with the current system status used solely by Bank SinoPac, a separate compensation guarantee letter shall be signed by Bank SinoPac and the vendor. This agreement will stipulate that the maximum compensation liability shall not exceed USD 1,300 thousand, with the deadline for compensation guarantee period is December 31, 2037, or the later of the two deadlines, whichever is later. The aforementioned two guarantee letters, each valid according to its respective terms, shall limit Bank SinoPac's total compensation responsibility to a maximum of USD 1,300 thousand.

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 September 30, 2024, the Bank SinoPac recognized operating expenses in the amount of \$22,500.

- b. The Group entered into contracts to buy computers and office equipment were for \$1,574,392 and \$986,234, of which \$1,033,788 and \$698,606 had not been paid as of September 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. 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	September 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	\$ 25,771,682	\$ 22,882,486	\$ 65,674	\$ 2,823,522
Bonds	59,861,936	42,934,558	16,094,885	832,493
Others	29,274,762	15,352,138	13,922,624	-
Financial assets designated at fair value through profit or loss				
Bonds	1,232,290	1,232,290	-	-
Financial assets at fair value through other comprehensive income				
Equity instruments at fair value through other comprehensive income				
Stocks and others	14,830,700	10,945,455	151,717	3,733,528
Debt instruments at fair value through other comprehensive income				
Bonds	205,703,485	120,569,911	83,613,843	1,519,731
Certificates of deposits and others	148,064,020	153,851	147,910,169	-
<u>Liabilities</u>				
Financial liabilities at fair value through profit or loss				
Held-for-trading financial liabilities	23,689,442	23,689,442	-	-
Financial liabilities designated at fair value through profit or loss	1,993,797	-	1,993,797	-
<u>Derivative financial instruments</u>				
<u>Assets</u>				
Financial assets at fair value through profit or loss				
Financial assets mandatorily classified as at FVTPL	36,249,513	2,612,444	30,516,387	3,120,682
<u>Liabilities</u>				
Financial liabilities at fair value through profit or loss				
Held-for-trading financial liabilities	37,950,741	899,798	35,146,872	1,904,071
Financial liabilities designated as at fair value through profit or loss	14,755,987	-	13,625,312	1,130,675

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	September 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	\$ 14,908,119	\$ 12,890,975	\$ 184,694	\$ 1,832,450
Bonds	55,520,972	45,319,746	9,231,872	969,354
Others	18,865,100	8,837,694	10,027,406	-
Financial assets designated at fair value through profit or loss				
Bonds	3,794,626	3,794,626	-	-
Financial assets at fair value through other comprehensive income				
Equity instruments at fair value through other comprehensive income				
Stocks and others	25,693,721	21,027,936	1,984,954	2,680,831
Debt instruments at fair value through other comprehensive income				
Bonds	168,378,194	72,973,119	93,387,955	2,017,120
Certificates of deposits and others	151,550,110	598,326	150,951,784	-
<u>Liabilities</u>				
Financial liabilities at fair value through profit or loss				
Held-for-trading financial liabilities	10,620,402	10,619,807	595	-
Financial liabilities designated at fair value through profit or loss	1,944,781	-	1,944,781	-
<u>Derivative financial instruments</u>				
<u>Assets</u>				
Financial assets at fair value through profit or loss				
Financial assets mandatorily classified as at FVTPL	61,033,231	2,642,485	53,805,519	4,585,227
<u>Liabilities</u>				
Financial liabilities at fair value through profit or loss				
Held-for-trading financial liabilities	52,667,481	675,383	49,506,281	2,485,817
Financial liabilities designated as at fair value through profit or loss	14,849,775	-	14,812,263	37,512

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 nine months ended September 30, 2024, the Group transferred part of the government bonds and bank debentures amounts \$5,152,179 transferred from Levels 1 to 2 because the Group determined these investments were not in an active market.

For the nine months ended September 30, 2023, the Group transferred part of the government bonds, and bank debentures amounts \$12,511,331 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

Items	Beginning Balance	For the Nine Months Ended September 30, 2024						Effects of Changes in Exchange Rate	Ending Balance
		Gains (Losses) on Valuation		Increase		Decrease			
		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	\$ 166,649	\$ -	\$ 785,893	290,570	\$ (443,901)	\$ (188,599)	\$ 156	\$ 2,823,522
Bonds	1,867,592	35,196	-	91,929	-	(1,207,817)	-	45,593	832,493
Financial assets at fair value through other comprehensive income									
Equity instruments at FVTOCI									
Stock	2,902,783	-	943,592	-	-	(112,847)	-	-	3,733,528
Debt instruments at FVTOCI									
Bonds	1,943,561	-	66	5,265	-	(492,208)	-	63,047	1,519,731
<u>Derivative financial instruments</u>									
Financial assets at fair value through profit or loss									
Financial assets mandatorily classified as at FVTPL	2,739,729	380,953	-	-	-	-	-	-	3,120,682

Items	Beginning Balance	For the Nine Months Ended September 30, 2023						Effects of Changes in Exchange Rate	Ending Balance
		Gains (Losses) on Valuation		Increase		Decrease			
		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	\$ 135,594	\$ -	\$ 285,463	\$ 65,172	\$ (442,883)	\$ (343,542)	\$ 321	\$ 1,832,450
Bonds	1,855,295	9,469	-	34,192	-	(941,372)	(29,374)	41,144	969,354
Financial assets at fair value through other comprehensive income									
Equity instruments at FVTOCI									
Stock	2,759,596	-	(118,239)	44,919	-	(5,445)	-	-	2,680,831
Debt instruments at FVTOCI									
Bonds	1,954,346	-	(5,163)	4,879	-	-	-	63,058	2,017,120
<u>Derivative financial instruments</u>									
Financial assets at fair value through profit or loss									
Financial assets mandatorily classified as at FVTPL	2,616,402	1,968,825	-	-	-	-	-	-	4,585,227

Note: Items are transferred to Level 3 for the nine months ended September 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 nine months ended September 30, 2024 and 2023, the gains on valuation included in net income with assets still held were \$855,221 and \$2,354,378, respectively.

For the nine months ended September 30, 2024 and 2023, the gains or losses on valuation included in other comprehensive income with assets still held were gains \$961,017 and the losses were \$123,402, respectively.

b) Reconciliation of Level 3 items of financial liabilities

Items	Beginning Balance	For the Nine Months Ended September 30, 2024						Effect of Changes in Exchange Rate	Ending Balance
		Valuation Gain/Loss Reflected on Profit or Loss	Increase		Decrease				
			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	\$ 259,632	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,904,071
Financial liabilities designated as at fair value through profit or loss	66,788	3,028	2,593,294	-	(1,532,435)	-	-	-	1,130,675

For the Nine Months Ended September 30, 2023								
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	\$ 1,507,083	\$ 978,734	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,485,817
Financial liabilities designated as at fair value through profit or loss	18,035	(902)	211,141	-	(190,762)	-	-	37,512

For the nine months ended September 30, 2024 and 2023, the losses on valuation included in net loss with liabilities still held were \$443,307 and \$1,311,518, 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:

September 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	\$ 2,753,599	\$ 1,537,181	Sellers' quote	(Notes 1 and 2)	-
Currency swap contracts - Hybrid FX swap structured instruments	128,637	128,567	Sellers' quote	(Note 1)	-
Others	238,446	238,323	Sellers' quote	(Note 1)	-
	<u>\$ 3,120,682</u>	<u>\$ 1,904,071</u>			
Financial instruments designated as at fair value through profit or loss					
Liabilities for structured note	\$ -	\$ 1,130,675	Self-built option pricing model	Volatility	3%-58% (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	\$ 2,823,522	-	Market approach or asset approach or market value with liquidity valuation discount	Other shareholders and discount factor of liquidity (Note 3)	0%-30%
Bonds	832,493	-	Taipei Exchange's quote or Bloomberg's quote or sellers' quote		-
	<u>\$ 3,656,015</u>	<u>\$ -</u>			
Financial assets at fair value through other comprehensive income					
Equity instruments at FVTOCI					
Stock	\$ 3,733,528	\$ -	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	1,519,731	-	Taipei Exchange's quote or Bloomberg's quote or sellers' quote	(Note 3)	-
	<u>\$ 5,253,259</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>			

September 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	\$ 4,180,657	\$ 2,081,463	Sellers' quote	(Notes 1 and 2)	-
Currency swap contracts - Hybrid FX swap structured instruments	330,266	330,087	Sellers' quote	(Note 1)	-
Others	<u>74,304</u>	<u>74,267</u>	Sellers' quote	(Note 1)	-
	<u>\$ 4,585,227</u>	<u>\$ 2,485,817</u>			
Financial instruments designated as at fair value through profit or loss					
Liabilities for structured note	<u>\$ -</u>	<u>\$ 37,512</u>	Self-built option pricing model	Volatility	3%-45% (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	\$ 1,832,450	-	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>969,354</u>	<u>-</u>	Taipei Exchange's quote or Bloomberg's quote or sellers' quote		-
	<u>\$ 2,801,804</u>	<u>\$ -</u>			
Financial assets at fair value through other comprehensive income					
Equity instruments at FVTOCI					
Stock	\$ 2,680,831	\$ -	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>2,017,120</u>	<u>-</u>	Taipei Exchange's quote or Bloomberg's quote or sellers' quote	(Note 3)	-
	<u>\$ 4,697,951</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 58%.

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 45%.

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:

September 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	\$ (65,130)	\$ 65,130	\$ -	\$ -
Financial assets at fair value through other comprehensive income				
Debt instruments at fair value through other comprehensive income	\$ -	\$ -	\$ (25,444)	\$ 25,444

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	\$ (103,217)	\$ 103,217	\$ _____ -	\$ _____ -
Financial assets at fair value through other comprehensive income				
Debt instruments at fair value through other comprehensive income	\$ _____ -	\$ _____ -	\$ (36,714)	\$ 36,714

September 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	\$ (79,104)	\$ 79,104	\$ _____ -	\$ _____ -
Financial assets at fair value through other comprehensive income				
Debt instruments at fair value through other comprehensive income	\$ _____ -	\$ _____ -	\$ (34,632)	\$ 34,632

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	September 30, 2024	
	Carrying Amount	Fair Value
Investments in debt instruments at amortized cost	\$ 319,054,299	\$ 312,341,074
Bonds payable	68,781,237	68,059,403

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	September 30, 2023	
	Carrying Amount	Fair Value
Investments in debt instruments at amortized cost	\$ 302,058,548	\$ 289,324,000
Bonds payable	73,246,278	72,553,474

2) Hierarchy information of fair value of financial instruments

Assets and Liabilities Item	September 30, 2024			
	Total	Level 1	Level 2	Level 3
Investments in debt instruments at amortized cost	\$ 312,341,074	\$ 72,126,195	\$ 240,214,879	\$ -
Bonds payable	68,059,403	999,908	41,304,495	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	September 30, 2023			
	Total	Level 1	Level 2	Level 3
Investments in debt instruments at amortized cost	\$ 289,324,000	\$ 74,880,389	\$ 214,443,611	\$ -
Bonds payable	72,553,474	1,999,990	44,798,484	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, other financial liabilities and payables 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		
	September 30, 2024	December 31, 2023	September 30, 2023
Undrawn credit card commitments	\$ 233,869,834	\$ 230,289,636	\$ 228,323,367
Undrawn loan commitments	67,350,272	48,377,846	53,661,897
Guarantees	32,079,649	31,015,776	34,102,309
Standby letter of credit	3,884,875	4,013,033	5,529,070

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	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	%	Amount	%	Amount	%
Private enterprise	\$ 790,223,853	48.93	\$ 680,594,557	47.31	\$ 696,982,138	48.06
Public enterprise	13,948,917	0.86	4,310,264	0.30	15,616,425	1.08
Government sponsored enterprise and business	25,000,000	1.55	22,000,000	1.53	22,000,000	1.52
Nonprofit organization	281,438	0.02	187,720	0.01	195,063	0.01
Private	765,027,485	47.37	713,683,200	49.61	697,409,193	48.09
Financial institutions	20,552,360	1.27	17,778,569	1.24	18,026,310	1.24
Total	\$ 1,615,034,053	100.00	\$ 1,438,554,310	100.00	\$ 1,450,229,129	100.00

b) By region

Regions	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	%	Amount	%	Amount	%
Domestic	\$ 1,301,567,936	80.59	\$ 1,171,933,921	81.47	\$ 1,176,685,818	81.14
Asia	148,778,072	9.21	138,006,276	9.59	146,944,718	10.13
North America	76,841,243	4.76	76,803,429	5.34	79,936,663	5.51
Others	87,846,802	5.44	51,810,684	3.60	46,661,930	3.22
Total	\$ 1,615,034,053	100.00	\$ 1,438,554,310	100.00	\$ 1,450,229,129	100.00

c) By collateral

Collaterals	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	%	Amount	%	Amount	%
Credit	\$ 577,479,387	35.76	\$ 486,869,700	33.85	\$ 504,944,756	34.82
Secured						
Stocks	4,597,922	0.29	3,911,115	0.27	3,787,634	0.26
Bonds	12,508,155	0.77	10,234,498	0.71	12,908,359	0.89
Real estate	924,479,206	57.24	852,815,502	59.28	843,144,266	58.14
Movable collaterals	64,719,076	4.01	57,658,479	4.01	58,046,253	4.00
Guarantees	16,639,908	1.03	15,814,892	1.10	15,464,372	1.07
Others	14,610,399	0.90	11,250,124	0.78	11,933,489	0.82
Total	\$ 1,615,034,053	100.00	\$ 1,438,554,310	100.00	\$ 1,450,229,129	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-backed 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 September 30, 2024, December 31, 2023 and September 30, 2023, the amount of discounts and loans were \$7,041,680, \$4,185,914 and \$5,236,254, with a provision for loss allowance of \$921,793, \$700,573 and \$815,436 under IFRS 9 Stage 3, and credit guarantees, real estate, movable assets or certificates of deposits, etc., which reduced the potential loss, amounted to \$5,027,282, \$2,801,569 and \$3,707,999.

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 \$49,322,594, \$48,803,521 and \$49,247,699 on September 30, 2024, December 31, 2023 and September 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 September 30, 2024, December 31, 2023 and September 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		September 30, 2024					
Items		Non-performing Loan (NPL) (Note 1)	Total Loans	NPL Ratio (Note 2)	Loan Loss Reserves (LLR)	Coverage Ratio (Note 3)	
Corporate loan	Secured	\$ 906,204	\$ 325,073,858	0.28%	\$ 4,435,490	489.46%	
	Unsecured	222,742	510,539,176	0.04%	6,191,134	2,779.51%	
Consumer loan	Mortgage (Note 4)	248,105	401,829,873	0.06%	6,068,467	2,445.93%	
	Cash card	-	973	-	181	-	
	Micro credit (Note 5)	217,237	51,937,808	0.42%	964,101	443.80%	
	Others (Note 6)	Secured	333,196	284,897,447	0.12%	2,958,696	887.97%
		Unsecured	1,991	734,916	0.27%	10,274	516.02%
Total		1,929,475	1,575,014,051	0.12%	20,628,343	1,069.12%	
			Overdue Receivables	Accounts Receivables	Delinquency Ratio	Allowance for Credit Losses	Coverage Ratio
Credit card		29,640	21,731,040	0.14%	150,169	506.64%	
Accounts receivable - factoring with no recourse (Notes 7 and 8)		-	9,015,210	-	111,924	-	

Date		September 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	\$ 474,367	\$ 286,518,130	0.17%	\$ 3,695,360	779.01%	
	Unsecured	204,745	445,947,237	0.05%	5,238,092	2,558.35%	
Consumer loan	Mortgage (Note 4)	174,001	377,830,620	0.05%	5,698,891	3,275.21%	
	Cash card	-	1,509	-	212	-	
	Micro credit (Note 5)	137,588	40,371,651	0.34%	718,083	521.91%	
	Others (Note 6)	Secured	188,357	257,254,852	0.07%	2,689,234	1,427.73%
		Unsecured	1,804	1,346,501	0.13%	16,678	924.50%
Total		1,180,862	1,409,270,500	0.08%	18,056,550	1,529.10%	
			Overdue Receivables	Accounts Receivables	Delinquency Ratio	Allowance for Credit Losses	Coverage Ratio
Credit card		25,098	20,491,621	0.12%	150,513	599.70%	
Accounts receivable - factoring with no recourse (Notes 7 and 8)		-	14,109,858	-	179,713	-	

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	September 30, 2024		September 30, 2023	
	Excluded NPL	Excluded Overdue Receivables	Excluded NPL	Excluded Overdue Receivables
As a result of debt negotiation and loan agreement (Note 1)	\$ 154	\$ 6,758	\$ 226	\$ 11,813
As a result of consumer debt clearance (Note 2)	22,447	482,081	17,834	521,043
Total	\$ 22,601	\$ 488,839	\$ 18,060	\$ 532,856

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	September 30, 2024		
Rank (Note 1)	Industry Category (Note 2)	Total Credit Consists of Loans (Note 3)	Percentage of Net Worth (%)
1	A Group (Financial leasing)	\$ 12,157,984	6.60
2	B Group (real estate development activities)	8,958,962	4.86
3	C Group (real estate development activities)	7,166,467	3.89
4	D Group (real estate broking activities)	6,741,144	3.66
5	E Group (real estate development activities)	5,498,260	2.98
6	F Group (metal casting)	5,372,437	2.91
7	G Group (department store)	5,075,900	2.75
8	H Group (manufacture of computer, peripheral equipment and software wholesale activities)	4,496,767	2.44
9	I Group (real estate development activities)	3,673,400	1.99
10	J Company (other metalworking activities)	3,550,000	1.93

Year	September 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)	\$ 9,681,397	5.91
2	B Group (real estate development activities)	7,296,494	4.46
3	C Group (metal casting)	5,836,600	3.56
4	D Group (real estate development activities)	5,457,000	3.33
5	E Group (other holding companies)	5,236,466	3.20
6	F Company (other metalworking activities)	5,000,000	3.05
7	G Group (manufacture of other electronic parts and components)	4,766,133	2.91
8	H Group (department store)	4,496,792	2.75
9	I Group (wholesale of computer, computer peripheral equipment and software)	4,247,187	2.59
10	J Group (real estate development activities)	3,833,000	2.34

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

September 30, 2024	0-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year	Total
Deposits from the Central Bank and banks	\$ 59,030,758	\$ 44,207,334	\$ 2,849,459	\$ 1,017,285	\$ -	\$ 107,104,836
Financial liabilities at fair value through profit or loss	-	-	-	2,025,830	-	2,025,830
Securities sold under repurchase agreements	54,044,662	11,381,417	-	-	-	65,426,079
Payables	11,723,323	556,350	4,325,781	145,786	1,847,477	18,598,717
Deposits and remittances	1,397,860,692	280,509,547	255,859,202	241,108,572	23,724,091	2,199,062,104
Bank debentures	9,445	98,815	167,068	8,950,561	46,379,695	55,605,584
Lease liabilities	65,749	119,671	183,003	347,176	2,456,239	3,171,838

December 31, 2023	0-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year	Total
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

September 30, 2023	0-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year	Total
Deposits from the Central Bank and banks	\$ 32,402,082	\$ 25,537,980	\$ 23,273,843	\$ 1,981,955	\$ -	\$ 83,195,860
Financial liabilities at fair value through profit or loss	-	-	-	1,977,310	-	1,977,310
Securities sold under repurchase agreements	26,239,373	8,748,377	324,641	-	-	35,312,391
Payables	13,460,061	581,662	3,546,427	147,733	1,874,281	19,610,164
Deposits and remittances	1,160,153,362	323,058,224	237,577,131	226,795,665	27,273,915	1,974,858,297
Bank debentures	67,509	1,545,088	336,931	10,097,625	48,823,107	60,870,260
Lease liabilities	61,526	111,114	175,959	305,865	2,155,160	2,809,624

Bank SinoPac (China)

(In Thousands of CNY)

September 30, 2024	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years	Total
Deposits from the Central Bank and banks	\$ 642,875	\$ -	\$ 302,758	\$ -	\$ -	\$ 945,633
Payables	925,439	204,421	521,035	-	-	1,650,895
Deposits and remittances	4,626,950	2,722,587	3,076,840	2,499,448	-	12,925,825
Lease liabilities	1,400	2,648	9,863	15,709	-	29,620

(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
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)

September 30, 2023	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years	Total
Deposits from the Central Bank and banks	\$ 1,305,263	\$ 254,614	\$ -	\$ 747,938	\$ -	\$ 2,307,815
Payables	827,562	201,870	522,589	-	-	1,552,021
Deposits and remittances	4,939,955	2,431,445	2,583,580	894,244	117	10,849,341
Lease liabilities	1,535	1,842	5,221	11,146	-	19,744

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

September 30, 2024	0-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year	Total
Financial liabilities at fair value through profit or loss	\$ 8,339,198	\$ -	\$ -	\$ -	\$ -	\$ 8,339,198

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

September 30, 2023	0-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year	Total
Financial liabilities at fair value through profit or loss	\$ 11,873,050	\$ -	\$ -	\$ -	\$ -	\$ 11,873,050

Bank SinoPac (China)

(In Thousands of CNY)

September 30, 2024	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years	Total
Financial liabilities at fair value through profit or loss	\$ 10,590	\$ -	\$ -	\$ -	\$ -	\$ 10,590

(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
Financial liabilities at fair value through profit or loss	\$ 11,516	\$ -	\$ -	\$ -	\$ -	\$ 11,516

(In Thousands of CNY)

September 30, 2023	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years	Total
Financial liabilities at fair value through profit or loss	\$ 12,406	\$ -	\$ -	\$ -	\$ -	\$ 12,406

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

September 30, 2024	0-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year	Total
Financial instruments at fair value through profit or loss						
Foreign exchange derivatives						
Cash inflow	\$ 1,711,562,689	\$ 1,165,095,797	\$ 395,844,599	\$ 277,869,826	\$ 17,701,546	\$ 3,568,074,457
Cash outflow	1,713,988,997	1,164,735,750	395,579,591	277,054,152	17,536,755	3,568,895,245

December 31, 2023	0-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year	Total
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

September 30, 2023	0-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year	Total
Financial instruments at fair value through profit or loss						
Foreign exchange derivatives						
Cash inflow	\$ 1,220,174,523	\$ 980,311,799	\$ 654,945,238	\$ 256,549,153	\$ 9,425,049	\$ 3,121,405,762
Cash outflow	1,218,356,918	978,701,115	651,532,729	255,116,451	8,566,713	3,112,273,926

Bank SinoPac (China)

(In Thousands of CNY)

September 30, 2024	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years	Total
Financial instruments at fair value through profit or loss						
Foreign exchange derivatives						
Cash inflow	\$ 9,479,901	\$ 9,660,942	\$ 25,056,038	\$ 506,561	\$ -	\$ 44,703,442
Cash outflow	9,462,848	9,675,785	21,659,863	506,930	-	41,305,426

(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
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)

September 30, 2023	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years	Total
Financial instruments at fair value through profit or loss						
Foreign exchange derivatives						
Cash inflow	\$ 7,346,740	\$ 6,995,783	\$ 8,809,401	\$ 943,880	\$ -	\$ 24,095,804
Cash outflow	7,307,585	7,151,574	8,857,253	943,648	-	24,260,060

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

September 30, 2024	0-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year	Total
Undrawn loan commitments	\$ 1,051,257	\$ 2,452,291	\$ 6,171,456	\$ 9,584,259	\$ 47,338,813	\$ 66,598,076
Guarantees	4,890,333	3,300,388	4,282,571	6,075,356	12,498,902	31,047,550
Standby letter of credit	967,101	1,736,506	302,059	68,303	-	3,073,969

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

September 30, 2023	0-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year	Total
Undrawn loan commitments	\$ 1,312,579	\$ 4,131,248	\$ 4,362,102	\$ 9,135,243	\$ 33,944,107	\$ 52,885,279
Guarantees	7,040,355	7,123,589	3,075,764	4,028,702	11,253,036	32,521,446
Standby letter of credit	849,808	2,699,761	1,170,311	349,382	-	5,069,262

Bank SinoPac (China)

(In Thousands of CNY)

September 30, 2024	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years	Total
Undrawn loan commitments	\$ -	\$ -	\$ 108,947	\$ 57,436	\$ -	\$ 166,383
Guarantees	105,746	52,501	246,645	36,750	-	441,642
Standby letter of credit	50,335	105,909	23,125	-	-	179,369

(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 loan 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)

September 30, 2023	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years	Total
Undrawn loan commitments	\$ -	\$ 50,000	\$ 78,663	\$ 47,462	\$ -	\$ 176,125
Guarantees	37,700	62,000	457,427	172,875	-	730,002
Standby letter of credit	18,313	85,965	-	-	-	104,278

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)

	September 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	\$ 2,200,313,533	\$ 257,171,087	\$ 211,681,181	\$ 278,479,209	\$ 165,180,786	\$ 178,531,740	\$ 1,109,269,530
Main capital outflow on maturity	2,572,008,984	155,394,845	191,963,767	376,062,009	385,003,405	432,712,335	1,030,872,623
Gap	(371,695,451)	101,776,242	19,717,414	(97,582,800)	(219,822,619)	(254,180,595)	78,396,907

	September 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	\$ 2,261,806,651	\$ 183,011,288	\$ 254,741,354	\$ 367,044,229	\$ 257,995,691	\$ 201,119,775	\$ 997,894,314
Main capital outflow on maturity	2,648,414,387	111,013,628	182,775,317	440,536,995	486,088,825	549,876,454	878,123,168
Gap	(386,607,736)	71,997,660	71,966,037	(73,492,766)	(228,093,134)	(348,756,679)	119,771,146

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)

	September 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	\$ 78,013,894	\$ 34,563,927	\$ 20,324,068	\$ 7,561,661	\$ 5,977,769	\$ 9,586,469
Main capital outflow on maturity	79,457,018	33,624,523	24,051,966	10,328,738	6,399,805	5,051,986
Gap	(1,443,124)	939,404	(3,727,898)	(2,767,077)	(422,036)	4,534,483

(In Thousands of U.S. Dollars)

	September 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	\$ 70,728,666	\$ 25,552,080	\$ 17,791,415	\$ 12,627,748	\$ 5,623,838	\$ 9,133,585
Main capital outflow on maturity	72,001,238	25,435,426	22,920,528	14,658,798	5,367,285	3,619,201
Gap	(1,272,572)	116,654	(5,129,113)	(2,031,050)	256,553	5,514,384

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, internal process 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 September 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 September 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	\$ 2,051,472	\$ -
EUR LIBOR	-	-
GBP LIBOR	-	-
JPY LIBOR	-	-
CHF LIBOR	-	-
Total	\$ 2,051,472	\$ -

Derivatives	Notional Amount
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

	For the Nine Months Ended September 30, 2024		
	Average	Maximum	Minimum
Exchange rate risk	22,512	41,984	12,822
Interest rate risk	50,618	89,837	27,470
Equity risk	10,077	32,321	2,774
Total VaR	58,179	100,373	35,867

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

Note 2: Historical data period: 2024.01.02-2024.09.30.

	For the Nine Months Ended September 30, 2023		
	Average	Maximum	Minimum
Exchange rate risk	24,207	50,007	11,551
Interest rate risk	39,888	79,439	22,654
Equity risk	7,522	12,376	3,316
Total VaR	47,258	94,964	25,808

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

Note 2: Historical data period: 2023.01.03-2023.09.28.

Bank SinoPac (China)'s trading book VaR overview

(In Thousands of CNY)

	For the Nine Months Ended September 30, 2024		
	Average	Maximum	Minimum
Exchange rate risk	750	2,168	168
Interest rate risk	190	755	13
Equity risk	-	-	-
Total VaR	506	1,182	148

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

Note 2: Historical data period: 2024.01.01-2024.09.30.

(In Thousands of CNY)

	For the Nine Months Ended September 30, 2023		
	Average	Maximum	Minimum
Exchange rate risk	438	1,200	131
Interest rate risk	204	695	10
Equity risk	-	-	-
Total VaR	483	1,155	198

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

Note 2: Historical data period: 2023.01.01-2023.09.30.

13) Exchange rate risks

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

	September 30, 2024		
	Foreign Currency (In Thousands)	Exchange Rate	Converted to NTD
<u>Financial assets</u>			
Monetary items			
USD	\$ 17,199,884	31.65630	\$ 544,484,688
CNY	18,173,488	4.52088	82,160,158
AUD	5,013,347	21.92918	109,938,589
Nonmonetary items			
USD	48,520	31.65630	1,535,964
CNY	2,407,162	4.52088	10,882,491
<u>Financial liabilities</u>			
Monetary items			
USD	25,310,986	31.65630	801,252,166
CNY	16,915,882	4.52088	76,474,673
AUD	1,070,691	21.92918	23,479,376
	December 31, 2023		
	Foreign Currency (In Thousands)	Exchange Rate	Converted to NTD
<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

September 30, 2023

	Foreign Currency (In Thousands)	Exchange Rate	Converted to NTD
<u>Financial assets</u>			
Monetary items			
USD	\$ 15,390,644	32.28852	\$ 496,941,117
CNY	17,100,112	4.40946	75,402,260
AUD	3,967,609	20.55784	81,565,471
Nonmonetary items			
USD	69,682	32.28852	2,249,929
CNY	2,320,051	4.40946	10,230,171
<u>Financial liabilities</u>			
Monetary items			
USD	23,092,631	32.28852	745,626,878
CNY	16,941,454	4.40946	74,702,664
AUD	958,172	20.55784	19,697,947

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

a) Interest rate sensitivity information (New Taiwan dollars)

September 30, 2024

Items	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest rate-sensitive assets	\$ 1,458,708,489	\$ 53,200,005	\$ 120,449,038	\$ 133,067,184	\$ 1,765,424,716
Interest rate-sensitive liabilities	478,212,283	916,070,768	70,792,553	63,185,409	1,528,261,013
Interest rate-sensitive gap	980,496,206	(862,870,763)	49,656,485	69,881,775	237,163,703
Net worth					188,061,151
Ratio of interest rate-sensitive assets to liabilities (%)					115.52%
Ratio of interest rate-sensitive gap to net worth (%)					126.11%

September 30, 2023

Items	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest rate-sensitive assets	\$ 1,334,610,861	\$ 36,068,727	\$ 110,200,121	\$ 122,938,924	\$ 1,603,818,633
Interest rate-sensitive liabilities	427,928,162	807,195,022	58,719,055	60,472,939	1,354,315,178
Interest rate-sensitive gap	906,682,699	(771,126,295)	51,481,066	62,465,985	249,503,455
Net worth					173,540,242
Ratio of interest rate-sensitive assets to liabilities (%)					118.42%
Ratio of interest rate-sensitive gap to net worth (%)					143.77%

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)

September 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	\$ 9,481,217	\$ 922,730	\$ 590,722	\$ 4,422,637	\$ 15,417,306
Interest rate-sensitive liabilities	11,607,478	9,926,101	720,286	859,443	23,113,308
Interest rate-sensitive gap	(2,126,261)	(9,003,371)	(129,564)	3,563,194	(7,696,002)
Net worth					(88,348)
Ratio of interest rate-sensitive assets to liabilities (%)					66.70%
Ratio of interest rate-sensitive gap to net worth (%)					8,711.01%

September 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	\$ 8,828,521	\$ 650,072	\$ 335,918	\$ 4,347,276	\$ 14,161,787
Interest rate-sensitive liabilities	11,027,587	8,098,786	697,844	743,064	20,567,281
Interest rate-sensitive gap	(2,199,066)	(7,448,714)	(361,926)	3,604,212	(6,405,494)
Net worth					(223,513)
Ratio of interest rate-sensitive assets to liabilities (%)					68.86%
Ratio of interest rate-sensitive gap to net worth (%)					2,865.83%

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	September 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	\$ 1,189,139	\$ 1,189,089	\$ 1,189,139	\$ 1,189,089	\$ 50
Financial assets at fair value through other comprehensive income Transactions under repurchase agreements	26,663,471	25,515,710	26,663,471	25,515,710	1,147,761
Investments in debt instruments at amortized cost Transactions under repurchase agreements	11,191,806	10,513,513	10,940,586	10,513,513	427,073
Securities purchased under resell agreements Transactions under repurchase agreements	27,007,073	27,895,363	27,007,073	27,895,363	(888,290)

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	September 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	\$ 6,327,590	\$ 6,110,833	\$ 6,327,590	\$ 6,110,833	\$ 216,757
Investments in debt instruments at amortized cost Transactions under repurchase agreements	1,199,342	1,127,084	1,156,462	1,127,084	29,378
Securities purchased under resell agreements Transactions under repurchase agreements	26,512,376	27,829,517	26,512,376	27,829,517	(1,317,141)

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:

September 30, 2024

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 (Note)	Cash Received as Collaterals	
Derivative instruments	\$ 26,559,949	\$ -	\$ 26,559,949	\$ 18,416,763	\$ 2,595,820	\$ 5,547,366
Securities purchased under resell agreements	<u>93,415,691</u>	<u>-</u>	<u>93,415,691</u>	<u>93,370,299</u>	<u>-</u>	<u>45,392</u>
	<u>\$ 119,975,640</u>	<u>\$ -</u>	<u>\$ 119,975,640</u>	<u>\$ 111,787,062</u>	<u>\$ 2,595,820</u>	<u>\$ 5,592,758</u>

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 (Note)	Cash Collaterals Pledged	
Derivative instruments	\$ 30,222,600	\$ -	\$ 30,222,600	\$ 18,416,763	\$ 6,346,275	\$ 5,459,562
Securities sold under repurchase agreements	<u>65,113,675</u>	<u>-</u>	<u>65,113,675</u>	<u>65,103,661</u>	<u>-</u>	<u>10,014</u>
	<u>\$ 95,336,275</u>	<u>\$ -</u>	<u>\$ 95,336,275</u>	<u>\$ 83,520,424</u>	<u>\$ 6,346,275</u>	<u>\$ 5,469,576</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.

September 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	\$ 49,446,530	\$ -	\$ 49,446,530	\$ 27,154,254	\$ 5,902,889	\$ 16,389,387
Securities purchased under resell agreements	<u>55,253,091</u>	<u>-</u>	<u>55,253,091</u>	<u>55,247,883</u>	<u>-</u>	<u>5,208</u>
	<u>\$ 104,699,621</u>	<u>\$ -</u>	<u>\$ 104,699,621</u>	<u>\$ 82,402,137</u>	<u>\$ 5,902,889</u>	<u>\$ 16,394,595</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	\$ 45,021,927	\$ -	\$ 45,021,927	\$ 27,154,254	\$ 5,299,336	\$ 12,568,337
Securities sold under repurchase agreements	<u>35,067,434</u>	<u>-</u>	<u>35,067,434</u>	<u>34,894,728</u>	<u>112,752</u>	<u>59,954</u>
	<u>\$ 80,089,361</u>	<u>\$ -</u>	<u>\$ 80,089,361</u>	<u>\$ 62,048,982</u>	<u>\$ 5,412,088</u>	<u>\$ 12,628,291</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:

	September 30, 2024	December 31, 2023	September 30, 2023
Equities	<u>\$ 73,369</u>	<u>\$ 65,609</u>	<u>\$ 40,555</u>
Interest rate risk	<u>\$ 62,441</u>	<u>\$ 57,492</u>	<u>\$ 73,107</u>
Overall market risk value	<u>\$ 132,084</u>	<u>\$ 63,595</u>	<u>\$ 92,511</u>
Percentage of net value	<u>0.36%</u>	<u>0.19%</u>	<u>0.28%</u>

For the Three Months Ended September 30

	2024			2023		
	Average	Minimum	Maximum	Average	Minimum	Maximum
Equities	\$ 141,121	\$ 64,594	\$ 268,628	\$ 45,339	\$ 33,758	\$ 65,092
Interest rate risk	83,082	51,255	140,650	77,051	57,906	111,599

For the Nine Months Ended September 30

	2024			2023		
	Average	Minimum	Maximum	Average	Minimum	Maximum
Equities	\$ 86,888	\$ 40,036	\$ 268,628	\$ 40,427	\$ 18,736	\$ 65,092
Interest rate risk	78,857	45,948	140,650	75,203	42,596	111,599

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)

	September 30, 2024		
	Foreign Currencies	Exchange Rate	NTD
<u>Financial assets</u>			
Monetary items			
USD	\$ 1,803,780	31.655	\$ 57,099,347
NTD	1,980,500	1.000	1,980,500
HKD	107,489	4.075	438,074
CNY	953,936	4.521	4,312,629
EUR	107,410	35.388	3,801,061
AUD	362,316	21.929	7,945,330
JPY	56,989,690	0.222	12,666,512
ZAR	102,582	1.852	189,992
GBP	4,669	42.414	198,023
<u>Financial liabilities</u>			
Monetary items			
USD	1,675,594	31.655	53,041,461
NTD	1,473,176	1.000	1,473,176
HKD	89,580	4.075	365,029
CNY	293,476	4.521	1,326,772
EUR	94,883	35.388	3,357,705
AUD	330,840	21.929	7,255,077
JPY	56,634,298	0.222	12,587,604
GBP	4,001	42.414	169,695
	December 31, 2023		
	Foreign Currencies	Exchange Rate	NTD
<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)

	December 31, 2023		
	Foreign Currencies	Exchange Rate	NTD
<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)

	September 30, 2023		
	Foreign Currencies	Exchange Rate	NTD
<u>Financial assets</u>			
Monetary items			
USD	\$ 1,883,483	32.286	\$ 60,810,986
NTD	901,282	1.000	901,282
HKD	348,896	4.123	1,438,549
CNY	1,215,671	4.405	5,355,385
EUR	108,866	33.924	3,693,256
AUD	29,830	19.776	589,914
JPY	30,585,663	0.216	6,611,780
ZAR	85,482	1.681	143,734
KRW	14,645,142	0.024	348,491

<u>Financial liabilities</u>			
Monetary items			
USD	1,807,769	32.286	58,366,271
NTD	394,681	1.000	394,681
HKD	340,409	4.123	1,403,471
CNY	647,762	4.405	2,856,286
EUR	97,887	33.924	3,320,677
AUD	20,864	19.776	428,911
JPY	30,346,112	0.216	6,560,031

The table below shows the VaR for derivatives owned by SinoPac Securities and its subsidiaries:

	September 30, 2024	December 31, 2023	September 30, 2023
Futures and options	\$ 297,879	\$ 109,111	\$ 158,384
Warrants	147,158	26,444	36,825
Interest rate swap contracts	2,203	9,913	3,253
Currency contracts	2,518	669	1,194
Asset swap option contracts	123,154	81,945	88,102
Equity-linked note	28,767	686	762
Credit-linked note	16,086	16,342	12,513
Principal-guaranteed note	1,128	707	865
Equity derivative financial instruments	1,025	-	-
Bond forwards	359	-	-

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 September 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 September 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:

Non-derivatives	Book Value	
	Financial Assets	Financial Liabilities
USD LIBOR	<u>\$ 997,992</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.

	September 30, 2024	
	Carrying Value	Max. Credit Exposure Amount
Interest rate swap contracts	\$ 3,825,897	\$ 3,141,246
Asset swap option contracts	<u>849,101</u>	<u>1,044,229</u>
	<u>\$ 4,674,998</u>	<u>\$ 4,185,475</u>
	December 31, 2023	
	Carrying Value	Max. Credit Exposure Amount
Interest rate swap contracts	\$ 3,623,472	\$ 3,217,749
Asset swap option contracts	<u>818,668</u>	<u>1,043,675</u>
	<u>\$ 4,442,140</u>	<u>\$ 4,261,424</u>

	<u>September 30, 2023</u>	
	Carrying Value	Max. Credit Exposure Amount
Interest rate swap contracts	\$ 5,059,003	\$ 3,910,602
Asset swap option contracts	<u>801,949</u>	<u>998,894</u>
	<u>\$ 5,860,952</u>	<u>\$ 4,909,496</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 September 30, 2024, were 49% in the financial service sector and 18% in the electronic industry. In addition, the transaction amounts for trading objects with credit ratings of TWA+ and above has a market share of 81%.

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 September 30, 2024, December 31, 2023 and September 30, 2023, the credit lines unused of SinoPac Securities and its subsidiaries were \$24,929,694, \$15,619,593 and \$17,955,964, respectively.

The table below shows the analysis of the remaining contractual maturities for financial liabilities as of September 30, 2024, December 31, 2023 and September 30, 2023:

September 30, 2024	Payment Period				
	Current Period	First 3 to 12 Months	1 Year to 5 Years	Over 5 Years	Total
Current borrowings	\$ 915,346	\$ -	\$ -	\$ -	\$ 915,346
Commercial paper payable	29,100,000	12,400,000	-	-	41,500,000
Current financial liabilities at fair value through profit or loss	36,520,295	1,969,417	7,180,126	-	45,669,838
Liabilities for bonds with attached repurchase agreements	49,625,273	2,475	-	-	49,627,748
Securities financing refundable deposits	2,022,398	-	-	-	2,022,398
Deposits payable for securities financing	2,362,818	-	-	-	2,362,818
Securities lending refundable deposits	7,604,944	-	-	-	7,604,944
Futures traders' equity	42,915,160	-	-	-	42,915,160
Equity for each customer in the account	788,574	-	-	-	788,574
Accounts payable	38,781,484	-	-	-	38,781,484
Other payables	2,889,793	-	-	-	2,889,793
Other current financial liabilities	240,167	-	-	-	240,167
Long-term liabilities - current portion	968,979	2,000,306	-	-	2,969,285
Bonds payable	29,746	52,169	272,784	3,074,901	3,429,600
Long-term borrowings	-	-	5,000,000	-	5,000,000
Lease liabilities	65,052	155,337	298,906	20,837	540,132
	<u>\$ 214,830,029</u>	<u>\$ 16,579,704</u>	<u>\$ 12,751,816</u>	<u>\$ 3,095,738</u>	<u>\$ 247,257,287</u>

December 31, 2023	Payment Period				
	Current Period	First 3 to 12 Months	1 Year to 5 Years	Over 5 Years	Total
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
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>

September 30, 2023	Payment Period				
	Current Period	First 3 to 12 Months	1 Year to 5 Years	Over 5 Years	Total
Current borrowings	\$ 361,415	\$ -	\$ -	\$ -	\$ 361,415
Commercial paper payable	21,450,000	2,800,000	-	-	24,250,000
Current financial liabilities at fair value through profit or loss	24,557,325	1,270,886	6,937,842	-	32,766,053
Liabilities for bonds with attached repurchase agreements	46,569,750	2,781	-	-	46,572,531
Securities financing refundable deposits	2,072,361	-	-	-	2,072,361
Deposits payable for securities financing	2,325,584	-	-	-	2,325,584
Securities lending refundable deposits	8,808,967	-	-	-	8,808,967
Futures traders' equity	32,277,955	-	-	-	32,277,955
Equity for each customer in the account	546,437	-	-	-	546,437
Accounts payable	22,038,744	-	-	-	22,038,744
Other payables	2,309,050	-	-	-	2,309,050
Bonds payable	45,358	64,229	2,283,328	3,138,435	5,531,350
Long-term borrowings	973,332	-	-	-	973,332
Lease liabilities	71,572	203,769	417,487	38,039	730,867
	<u>\$ 164,407,850</u>	<u>\$ 4,341,665</u>	<u>\$ 9,638,657</u>	<u>\$ 3,176,474</u>	<u>\$ 181,564,646</u>

As of September 30, 2024, December 31, 2023 and September 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	September 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	\$ 23,919,508	\$ 22,701,270	\$ 23,919,508	\$ 22,701,270	\$ 1,218,238
Financial assets at fair value through other comprehensive income	11,080,113	10,740,691	11,080,113	10,740,691	339,422
Bond investments under resale agreements	15,525,633	16,056,210	15,525,633	16,056,210	(530,577)

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
<u>Transactions with repurchase agreements</u>					
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	September 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
<u>Transactions with repurchase agreements</u>					
Financial assets at fair value through profit or loss	\$ 22,199,071	\$ 20,857,080	\$ 22,199,071	\$ 20,857,080	\$ 1,341,991
Financial assets at fair value through other comprehensive income	12,332,174	11,612,999	12,332,174	11,612,999	719,175
Bond investments under resale agreements	13,260,913	13,812,051	13,260,913	13,812,051	(551,138)

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:

September 30, 2024

Financial Assets Under Offsetting and Executable Net Settlement Contracts or Similar Agreements						
Financial Assets	Recognized Financial Assets - Gross Amount	Netted Financial Liabilities	Recognized Financial Assets - Net Amount	Related Amount Not Netted on the Balance Sheet		Net Amount
		Recognized on the Balance Sheet - Gross Amount		Financial Instruments	Cash Received as Collateral	
Derivative assets - OTC	\$ 4,720,352	\$ -	\$ 4,720,352	\$ 3,065,516	\$ -	\$ 1,654,836
Bond investments under resale agreements	15,711,883	-	15,711,883	15,711,883	-	-
Accounts receivable for sale of securities	<u>11,279,664</u>	<u>6,827,025</u>	<u>4,452,639</u>	<u>-</u>	<u>-</u>	<u>4,452,639</u>
	<u>\$ 31,711,899</u>	<u>\$ 6,827,025</u>	<u>\$ 24,884,874</u>	<u>\$ 18,777,399</u>	<u>\$ -</u>	<u>\$ 6,107,475</u>

Financial Liabilities Under Offsetting and Executable Net Settlement Contracts or Similar Agreements						
Financial Liabilities	Recognized Financial Liabilities - Gross Amount	Netted Financial Assets	Recognized Financial Liabilities - Net Amount	Related Amount Not Netted on the Balance Sheet		Net Amount
		Recognized on the Balance Sheet - Gross Amount		Financial Instruments	Cash Collateral Pledged	
Derivative liabilities - OTC	\$ 6,399,763	\$ -	\$ 6,399,763	\$ 3,065,516	\$ -	\$ 3,334,247
Liabilities for bonds with attached repurchase agreements	49,498,171	-	49,498,171	45,658,737	-	3,839,434
Accounts payable for securities purchased	<u>7,529,351</u>	<u>6,827,025</u>	<u>702,326</u>	<u>-</u>	<u>-</u>	<u>702,326</u>
	<u>\$ 63,427,285</u>	<u>\$ 6,827,025</u>	<u>\$ 56,600,260</u>	<u>\$ 48,724,253</u>	<u>\$ -</u>	<u>\$ 7,876,007</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	Recognized Financial Assets - Net Amount	Related Amount Not Netted on the Balance Sheet		Net Amount
		Recognized on the Balance Sheet - Gross Amount		Financial Instruments	Cash Received as Collateral	
Derivative assets - OTC	\$ 4,553,568	\$ -	\$ 4,553,568	\$ 2,985,547	\$ -	\$ 1,568,021
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	Recognized Financial Liabilities - Net Amount	Related Amount Not Netted on the Balance Sheet		Net Amount
		Recognized on the Balance Sheet - Gross Amount		Financial Instruments	Cash Collateral Pledged	
Derivative liabilities - OTC	\$ 5,576,063	\$ -	\$ 5,576,063	\$ 2,985,547	\$ -	\$ 2,590,516
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>

September 30, 2023

Financial Assets Under Offsetting and Executable Net Settlement Contracts or Similar Agreements

Financial Assets	Recognized Financial Assets - Gross Amount	Netted Financial Liabilities	Recognized Financial Assets - Net Amount	Related Amount Not Netted on the Balance Sheet		Net Amount
		Recognized on the Balance Sheet - Gross Amount		Financial Instruments	Cash Received as Collateral	
Derivative assets - OTC	\$ 5,920,697	\$ -	\$ 5,920,697	\$ 4,254,427	\$ -	\$ 1,666,270
Bond investments under resale agreements	13,402,821	-	13,402,821	13,402,821	-	-
Accounts receivable for sale of securities	<u>5,897,885</u>	<u>2,881,719</u>	<u>3,016,166</u>	<u>-</u>	<u>-</u>	<u>3,016,166</u>
	<u>\$ 25,221,403</u>	<u>\$ 2,881,719</u>	<u>\$ 22,339,684</u>	<u>\$ 17,657,248</u>	<u>\$ -</u>	<u>\$ 4,682,436</u>

Financial Liabilities Under Offsetting and Executable Net Settlement Contracts or Similar Agreements

Financial Liabilities	Recognized Financial Liabilities - Gross Amount	Netted Financial Assets	Recognized Financial Liabilities - Net Amount	Related Amount Not Netted on the Balance Sheet		Net Amount
		Recognized on the Balance Sheet - Gross Amount		Financial Instruments	Cash Collateral Pledged	
Derivative liabilities - OTC	\$ 6,681,977	\$ -	\$ 6,681,977	\$ 4,254,427	\$ -	\$ 2,427,550
Liabilities for bonds with attached repurchase agreements	46,282,130	-	46,282,130	44,156,144	-	2,125,986
Accounts payable for securities purchased	<u>4,137,979</u>	<u>2,881,719</u>	<u>1,256,260</u>	<u>-</u>	<u>-</u>	<u>1,256,260</u>
	<u>\$ 57,102,086</u>	<u>\$ 2,881,719</u>	<u>\$ 54,220,367</u>	<u>\$ 48,410,571</u>	<u>\$ -</u>	<u>\$ 5,809,796</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.

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.

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.

51. CROSS-SELLING INFORMATION

For the nine months ended September 30, 2024 and 2023, Bank SinoPac charged SinoPac Securities for \$8,650 and \$6,085, respectively, as opening accounts.

The bonuses Bank SinoPac paid to SinoPac Securities were \$4,134 and \$3,941 for the nine months ended September 30, 2024 and 2023 as part of the cross-selling agreement.

The bonuses payments for the nine months ended September 30, 2024 and 2023 made by Bank SinoPac from SinoPac Leasing were \$53 and \$74 as part of the cross-selling agreement.

The bonuses payments for the nine months ended September 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 10.

52. BUSINESS SEGMENT FINANCIAL INFORMATION

For the Nine Months Ended September 30, 2024

(In Thousands of New Taiwan Dollars)

Item \ Business Segment	Banking	Security	Others	Consolidated
Net interest revenue	\$ 17,690,582	\$ 646,680	\$ 518,953	\$ 18,856,215
Net revenues other than interest	18,269,970	12,074,907	791,274	31,136,151
Net revenues	35,960,552	12,721,587	1,310,227	49,992,366
Bad debts expense, commitment and reversal of guarantee liability (provision)	(2,405,646)	(6,097)	(338,370)	(2,750,113)
Operating expenses	(16,130,614)	(7,484,812)	(1,035,043)	(24,650,469)
Profit (loss) from continuing operations before tax	17,424,292	5,230,678	(63,186)	22,591,784
Income tax (expense) benefit	(3,090,711)	(638,205)	(414,191)	(4,143,107)
Net income (loss)	14,333,581	4,592,473	(477,377)	18,448,677

For the Nine Months Ended September 30, 2023

(In Thousands of New Taiwan Dollars)

Item	Banking	Security	Others	Consolidated
Net interest revenue	\$ 17,459,996	\$ 774,144	\$ 393,723	\$ 18,627,863
Net revenues other than interest	13,431,088	8,402,819	572,113	22,406,020
Net revenues	30,891,084	9,176,963	965,836	41,033,883
Bad debts expense, commitment and reversal of guarantee liability (provision)	(1,188,133)	(6,574)	(171,702)	(1,366,409)
Operating expenses	(14,391,387)	(6,099,150)	(934,691)	(21,425,228)
Profit (loss) from continuing operations before tax	15,311,564	3,071,239	(140,557)	18,242,246
Income tax (expense) benefit	(2,568,134)	(40,800)	78,433	(2,530,501)
Net income (loss)	12,743,430	3,030,439	(62,124)	15,711,745

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		September 30, 2024	September 30, 2023
Return on total assets	Before income tax	0.77	0.69
	After income tax	0.63	0.59
Return on net worth	Before income tax	11.53	10.98
	After income tax	9.41	9.46
Profit margin		36.90	38.29

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 nine months ended September 30, 2024 and 2023.

SinoPac Holdings

(%)

Items		September 30, 2024	September 30, 2023
Return on total assets	Before income tax	8.38	8.09
	After income tax	8.22	8.17
Return on net worth	Before income tax	9.60	9.36
	After income tax	9.41	9.46
Profit margin		95.99	98.63

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 nine months ended September 30, 2024 and 2023.

Bank SinoPac

(%)

Items		September 30, 2024	September 30, 2023
Return on total assets	Before income tax	0.67	0.64
	After income tax	0.56	0.53
Return on net worth	Before income tax	9.72	10.07
	After income tax	8.05	8.42
Profit margin		41.06	42.14

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 nine months ended September 30, 2024 and 2023.

SinoPac Securities

(%)

Items		September 30, 2024	September 30, 2023
Return on total assets	Before income tax	2.46	2.05
	After income tax	2.22	2.11
Return on net worth	Before income tax	14.14	9.50
	After income tax	12.73	9.78
Profit margin		33.07	32.50

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 nine months ended September 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: Not required disclosure in quarterly report
- 13) Derivative financial transactions: Note 8
- 14) Other material transactions which will affect the decisions of financial report users: Tables 5 to 15
 - a) The book value of the maximum credit risk exposure of the financial assets: Table 5
 - b) Allowance for discounts and loans: Table 6

- c) Allowance for accounts receivables: Table 7
 - d) Change in allowance for debt instrument at fair value through other comprehensive income: Table 8
 - e) Change in allowance for debt instrument at amortized cost: Table 9
 - f) Related party transactions: Table 10
 - g) Balance sheets of SPH: Table 11
 - h) Comprehensive income statements of SPH: Table 12
 - i) Statement of changes in equity of SPH: Table 13
 - j) Statements of cash flows of SPH: Table 14
 - k) Statement of balance sheet and comprehensive income of SPH's subsidiaries: Table 15
 - l) Public announcements prescribed in financial holding company ACT Article 46: Not required disclosure in quarterly report
 - m) Other significant transactions which may affect the decisions of users of financial reports: None
- c. Information related to investment in Mainland China: Table 16
 - 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 nine months ended September 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 Nine Months Ended September 30, 2024					
		Banking	Security	Others	Operating Segments	Nonoperating Segments (Including Intercompany Transactions)	Total
Income (loss)	Net interest revenue	\$ 17,612,730	\$ 704,640	\$ 698,573	\$ 19,015,943	\$ (159,728)	\$ 18,856,215
	Interest income	57,968,388	3,323,637	1,055,579	62,347,604	(66,544)	62,281,060
	Interest expenses	(40,355,658)	(2,618,997)	(357,006)	(43,331,661)	(93,184)	(43,424,845)
	Service fee and commissions income, net	7,925,095	7,679,146	196,382	15,800,623	(7,579)	15,793,044
	Others	10,524,083	4,304,176	679,723	15,507,982	(164,875)	15,343,107
	Total net revenue	36,061,908	12,687,962	1,574,678	50,324,548	(332,182)	49,992,366
	Bad debts expense, commitment and reversal of guarantee liability (provision)	(2,405,646)	(6,097)	(338,370)	(2,750,113)	-	(2,750,113)
	Operating expenses	(16,184,687)	(7,515,236)	(691,197)	(24,391,120)	(259,349)	(24,650,469)
	Depreciation and amortization expense	(1,331,336)	(433,319)	(163,164)	(1,927,819)	57,032	(1,870,787)
	Profit (loss) from continuing operations before tax	17,471,575	5,166,629	545,111	23,183,315	(591,531)	22,591,784
	Income tax (expense) benefit	(3,090,711)	(638,205)	(49,816)	(3,778,732)	(364,375)	(4,143,107)
	Net income (loss)	14,380,864	4,528,424	495,295	19,404,583	(955,906)	18,448,677
		Banking	Security	Others	Operating Segments	Nonoperating Segments (Including Intercompany Transactions)	Total
Asset	Investments accounted for using equity method	\$ -	\$ -	\$ 1,119,742	\$ 1,119,742	\$ -	\$ 1,119,742
	Total assets	2,770,034,787	291,798,638	28,717,170	3,090,550,595	(10,226,070)	3,080,324,525

Segment revenues and results

(In Thousands of New Taiwan Dollars)

		For the Nine Months Ended September 30, 2023					
		Banking	Security	Others	Operating Segments	Nonoperating Segments (Including Intercompany Transactions)	Total
Income (loss)	Net interest revenue	\$ 17,392,885	\$ 813,943	\$ 547,995	\$ 18,754,823	\$ (126,960)	\$ 18,627,863
	Interest income	52,310,079	2,598,355	847,238	55,755,672	(43,296)	55,712,376
	Interest expenses	(34,917,194)	(1,784,412)	(299,243)	(37,000,849)	(83,664)	(37,084,513)
	Service fee and commissions income, net	5,728,606	5,619,995	168,782	11,517,383	(8,234)	11,509,149
	Others	7,772,984	2,809,118	496,200	11,078,302	(181,431)	10,896,871
	Total net revenue	30,894,475	9,243,056	1,212,977	41,350,508	(316,625)	41,033,883
	Bad debts expense, commitment and reversal of guarantee liability (provision)	(1,188,133)	(6,574)	(171,702)	(1,366,409)	-	(1,366,409)
	Operating expenses	(14,444,800)	(6,139,192)	(620,977)	(21,204,969)	(220,259)	(21,425,228)
	Depreciation and amortization expense	(1,262,567)	(417,094)	(165,116)	(1,844,777)	73,973	(1,770,804)
	Profit (loss) from continuing operations before tax	15,261,542	3,097,290	420,298	18,779,130	(536,884)	18,242,246
	Income tax (expense) benefit	(2,568,134)	(40,800)	(81,024)	(2,689,958)	159,457	(2,530,501)
	Net income (loss)	12,693,408	3,056,490	339,274	16,089,172	(377,427)	15,711,745
		Banking	Security	Others	Operating Segments	Nonoperating Segments (Including Intercompany Transactions)	Total
Asset	Investments accounted for using equity method	\$ -	\$ -	\$ 1,130,676	\$ 1,130,676	\$ -	\$ 1,130,676
	Total assets	2,503,420,922	215,292,759	25,566,259	2,744,279,940	(8,523,370)	2,735,756,570

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

FINANCING PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 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	\$ 22,685	\$ 22,685	2.00-15.90	Short-term financing	\$ -	Operating use	\$ 37	-	\$ -	\$ 1,410,069 (Note 2)	\$ 1,880,093 (Note 2)	
		Hsiang-Ming Fishery Co., Ltd.	Other receivable	No	192,500	132,500	82,500	2.00-15.90	Short-term financing	-	Operating use	905	-	-	1,410,069 (Note 2)	1,880,093 (Note 2)	
		ET New Media Holding Co., Ltd.	Other receivable	No	95,975	59,205	59,205	2.00-15.90	Short-term financing	-	Operating use	984	-	-	1,410,069 (Note 2)	1,880,093 (Note 2)	
		TCHING YE FISHERY CO., Ltd.	Other receivable	No	40,500	15,000	15,000	2.00-15.90	Short-term financing	-	Operating use	26	-	-	1,410,069 (Note 2)	1,880,093 (Note 2)	
		Yuanli Engineering Co., Ltd.	Other receivable	No	90,125	57,125	57,125	2.00-15.90	Short-term financing	-	Operating use	828	-	-	1,410,069 (Note 2)	1,880,093 (Note 2)	
		Shin Rong Business Co., Ltd.	Other receivable	No	46,429	46,429	6,429	2.00-15.90	Short-term financing	-	Operating use	11	Margin	-	1,000	1,410,069 (Note 2)	1,880,093 (Note 2)
		LAI-I Metal Industrial Co., Ltd.	Other receivable	No	7,778	2,778	2,778	2.00-15.90	Short-term financing	-	Operating use	5	-	-	-	1,410,069 (Note 2)	1,880,093 (Note 2)
		WIN-GIANT Investment Co., Ltd.	Other receivable	No	50,000	44,005	44,005	2.00-15.90	Short-term financing	-	Operating use	778	-	-	-	1,410,069 (Note 2)	1,880,093 (Note 2)
		Priority International Finance Co., Ltd.	Other receivable	No	20,000	14,583	14,583	2.00-15.90	Short-term financing	-	Operating use	261	Margin	-	3,000	1,410,069 (Note 2)	1,880,093 (Note 2)
		Prosperous Wind Shipping Limited	Other receivable	No	60,000	60,000	-	2.00-15.90	Short-term financing	-	Operating use	-	-	-	-	1,410,069 (Note 2)	1,880,093 (Note 2)
2	SinoPac Securities (Cayman)	SinoPac Securities (Asia)	Other receivable	Yes	985,340 (Note 3)	949,689 (Note 3)	949,689 (Note 3)	6.25	Short-term financing	-	Operating use	-	-	-	4,179,951 (Note 3)	4,179,951 (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 \$4,700,233 of SinoPac Leasing as of September 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\$985,340 and NT\$949,689). The credit line for individual and total financing amount calculated based on the net worth of SinoPac Securities (Cayman) as of September 30, 2024 was equal to US\$132,042 thousand (NT\$4,179,951). As of September 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\$949,689) 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 NINE MONTHS ENDED SEPTEMBER 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	\$ 37,601,866	\$ 7,949,263	\$ 7,813,637	\$ 4,046,576	\$ -	166.24	\$ 37,601,866 (Note 1)	Y	N	Y
		SinoPac Capital International (HK)	Subsidiary	37,601,866	11,427,924	10,953,080	1,670,087	-	233.03	37,601,866 (Note 1)	Y	N	N
2	SinoPac Venture Capital	SinoPac Leasing	Affiliate	1,574,302	407,174	407,174	-	-	12.93	3,148,606 (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 reviewed net worth of SinoPac Leasing as of September 30, 2024 was \$4,700,233.

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 reviewed net worth as of September 30, 2024 was \$3,148,606.

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

SEPTEMBER 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	September 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	646	\$ 55,766	0.08	\$ 55,766	
SinoPac Futures	<u>Stock</u> Taiwan Futures Exchange (TAIFEX)	-	Financial assets at fair value through other comprehensive income	1,362	97,461	0.25	97,461	
	GME Group Inc.	-	Financial assets at fair value through other comprehensive income	20	139,672	0.01	139,672	
	Hon Hai Precision Industry Co., Ltd.	-	Financial assets at fair value through other comprehensive income	240	45,000	-	45,000	
	Mediatek Inc.	-	Financial assets at fair value through other comprehensive income	35	41,125	-	41,125	
	HANPIN ELECTRON CO., LTD.	-	Financial assets at fair value through other comprehensive income	392	18,992	0.49	18,992	
	Huaku Development Co., Ltd.	-	Financial assets at fair value through other comprehensive income	234	31,162	0.08	31,162	
	Hua Nan Financial Holdings Co., Ltd.	-	Financial assets at fair value through other comprehensive income	1,808	46,463	0.01	46,463	
	Channel Well Technology Co., Ltd	-	Financial assets at fair value through other comprehensive income	1,161	77,090	0.51	77,090	
	WPG Holdings Limited	-	Financial assets at fair value through other comprehensive income	506	37,950	0.03	37,950	
	ASE Technology Holding Co., Ltd.	-	Financial assets at fair value through other comprehensive income	190	28,690	-	28,690	
	Far EasTone Telecommunications Co., Ltd.	-	Financial assets at fair value through other comprehensive income	229	20,770	0.01	20,770	
	Primax Electronics Ltd.	-	Financial assets at fair value through other comprehensive income	444	40,226	0.10	40,226	
	Vanguard International Semiconductor Corporation	-	Financial assets at fair value through other comprehensive income	351	36,329	0.02	36,329	
	Simplo Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income	48	16,968	0.03	16,968	
	Powertech Technology Inc.	-	Financial assets at fair value through other comprehensive income	151	20,687	0.02	20,687	

(Continued)

Holding Company	Type and Issuer of Marketable Securities	Relationship with Holding Company	Financial Statement Account	September 30, 2024				Note
				Shares/Units/ Face Amount	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Ibase Technology Inc.	-	Financial assets at fair value through other comprehensive income	840	\$ 62,664	0.41	\$ 62,664	
	Thye Ming Industrial Co., Ltd.	-	Financial assets at fair value through other comprehensive income	259	17,897	0.15	17,897	
	CTCI Corp.	-	Financial assets at fair value through other comprehensive income	728	34,435	0.09	34,435	
	Uni-President Enterprises Corp.	-	Financial assets at fair value through profit or loss	18	1,570	-	1,570	
	Tong Yang Industry Co., Ltd.	-	Financial assets at fair value through profit or loss	14	1,491	-	1,491	
	Sesoda Corp.	-	Financial assets at fair value through profit or loss	39	1,613	0.02	1,613	
	Oriental Union Chemical Corp.	-	Financial assets at fair value through profit or loss	82	1,541	0.01	1,541	
	Ching Chan Optical Technology Co., Ltd	-	Financial assets at fair value through profit or loss	17	1,819	0.05	1,819	
	Chroma Ate Inc.	-	Financial assets at fair value through profit or loss	4	1,494	-	1,494	
	K. S. Terminals Inc.	-	Financial assets at fair value through profit or loss	16	1,408	0.01	1,408	
	LandMark Optoelectronics Corp.	-	Financial assets at fair value through profit or loss	7	2,069	0.01	2,069	
	Wayi International Digital Entertainment Co.	-	Financial assets at fair value through profit or loss	7	1,785	0.03	1,785	
	Alltek Technology Corp.	-	Financial assets at fair value through profit or loss	41	1,513	0.02	1,513	
	PixArt Imaging Inc.	-	Financial assets at fair value through profit or loss	7	1,883	-	1,883	
	Univacco Technology Inc.	-	Financial assets at fair value through profit or loss	25	1,500	0.03	1,500	
	Diva Laboratories, Ltd.	-	Financial assets at fair value through profit or loss	32	1,571	0.05	1,571	
	Yusin Holding Corp.	-	Financial assets at fair value through profit or loss	13	1,664	0.03	1,664	
	Sixxon Tech. Co., Ltd.	-	Financial assets at fair value through profit or loss	7	1,666	0.02	1,666	
	Asia Tech Image Inc.	-	Financial assets at fair value through profit or loss	14	1,477	0.02	1,477	
	PCL Technologies Inc.	-	Financial assets at fair value through profit or loss	19	2,004	0.02	2,004	
	Acter Group Corp., Ltd.	-	Financial assets at fair value through profit or loss	5	1,535	-	1,535	
	All Ring Tech Co., Ltd.	-	Financial assets at fair value through profit or loss	4	1,896	-	1,896	

(Continued)

Holding Company	Type and Issuer of Marketable Securities	Relationship with Holding Company	Financial Statement Account	September 30, 2024				Note
				Shares/Units/ Face Amount	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Hu Lane Associate Inc.	-	Financial assets at fair value through profit or loss	9	\$ 1,643	0.01	\$ 1,643	
	Voltronic Power Technology Corp.	-	Financial assets at fair value through profit or loss	1	2,025	-	2,025	
	Caswell, Inc.	-	Financial assets at fair value through profit or loss	10	1,590	0.01	1,590	
	Axcen Photonics Corporation.	-	Financial assets at fair value through profit or loss	28	1,803	0.08	1,803	
	Depo Auto Parts Ind. Co., Ltd.	-	Financial assets at fair value through profit or loss	6	1,587	-	1,587	
	Icares medicus inc.	-	Financial assets at fair value through profit or loss	10	1,535	0.02	1,535	
	FuSheng Precision Co., Ltd.	-	Financial assets at fair value through profit or loss	5	1,450	-	1,450	
	Visco Vision Inc.	-	Financial assets at fair value through profit or loss	6	1,497	0.01	1,497	
	Posiflex Technology, Inc.	-	Financial assets at fair value through profit or loss	8	1,675	0.01	1,675	
	Creative Sensor Inc.	-	Financial assets at fair value through profit or loss	40	2,440	0.03	2,440	
	Ace Pillar Co., Ltd.	-	Financial assets at fair value through profit or loss	11	1,535	0.01	1,535	
	<u>Fund</u>							
	Yuanta Global Leaders Balanced Fund - TWD (A)	-	Financial assets at fair value through profit or loss	977	14,287	-	14,287	
	Yuanta 2-10 Year Investment Grade Corporate Bond Fund	-	Financial assets at fair value through profit or loss	2,000	22,184	-	22,184	
	Yuanta Japan Leaders Equity Fund - TWD (A)	-	Financial assets at fair value through profit or loss	2,500	26,700	-	26,700	
	Fubon US Treasury Inflation-Linked Bond Index Fund (A)	-	Financial assets at fair value through profit or loss	972	10,767	-	10,767	
	Cathay 3-Year Maturity Global Market Investment Grade Bond Fund A	-	Financial assets at fair value through profit or loss	500	5,374	-	5,374	
	Yuanta FTSE4Good TIP Taiwan ESG ETF Feeder Fund (A)	-	Financial assets at fair value through profit or loss	1,500	19,260	-	19,260	
	Cathay 15+ Year Technology Bond Select ETF	-	Financial assets at fair value through profit or loss	250	8,325	-	8,325	
	Cathay FTSE Emerging Markets ETF	-	Financial assets at fair value through profit or loss	500	12,315	-	12,315	
	Cathay Us Corporate 10+ Years Banking ETF	-	Financial assets at fair value through profit or loss	334	5,818	-	5,818	
	Cathay US S&P 500 Low Volatility Index Fund	-	Financial assets at fair value through profit or loss	500	12,480	-	12,480	

(Continued)

Holding Company	Type and Issuer of Marketable Securities	Relationship with Holding Company	Financial Statement Account	September 30, 2024				Note
				Shares/Units/ Face Amount	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
SinoPac Venture Capital	<u>Stock</u>							
	Taigen Biopharmaceuticals Holdings Limited	Related party	Financial assets at fair value through profit or loss	20,045	\$ 299,675	2.79	\$ 299,675	
	Kuang Hong Arts Management Incorporation	-	Financial assets at fair value through profit or loss	60	4,444	0.18	4,444	
	3S Silicon Tech., Inc.	-	Financial assets at fair value through profit or loss	1,422	51,987	3.83	51,987	
	Centera Photonics Inc.	Affiliate of SinoPac Venture Capital's general manager	Financial assets at fair value through profit or loss	1,874	18,742	3.81	18,742	
	J-metrics Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	1,200	1,392	4.30	1,392	
	Taisys Technologies Co., Ltd.	-	Financial assets at fair value through profit or loss	380	11,267	1.43	11,267	
	DA HE Marketing Co., Ltd.	-	Financial assets at fair value through profit or loss	1,050	23,058	12.20	23,058	
	New Micropore, Inc.	Affiliate of SinoPac Venture Capital's general manager	Financial assets at fair value through profit or loss	10	-	10.00	-	
	Toyo Automation Co., Ltd.	-	Financial assets at fair value through profit or loss	986	91,641	3.25	91,641	
	Prudence Venture Investment Corporation	-	Financial assets at fair value through profit or loss	166	1,027	2.50	1,027	
	Boston Life Science Venture Co.	-	Financial assets at fair value through profit or loss	3,690	923	5.00	923	
	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	34,482	4.84	34,482	
	Taiwania Capital Buffalo II Bioventures, LP	-	Financial assets at fair value through profit or loss	-	61,727	-	61,727	
	Asia Metal Industries, Inc.	-	Financial assets at fair value through profit or loss	689	56,498	2.56	56,498	
	Hantop Intelligence Technology Co., Ltd.	Affiliate of SinoPac Venture Capital's general manager	Financial assets at fair value through profit or loss	1,250	4,050	9.07	4,050	
	AnnJi Pharmaceutical Co., Ltd.	-	Financial assets at fair value through profit or loss	3,248	108,776	3.47	108,776	
	Evergreen Steel Corporation	-	Financial assets at fair value through profit or loss	996	118,026	0.24	118,026	
	Active Technology Engineering Inc.	Affiliate of SinoPac Venture Capital's manager	Financial assets at fair value through profit or loss	1,719	38,876	9.99	38,876	
	Lian Hong Art CO., Ltd.	-	Financial assets at fair value through profit or loss	126	2,581	0.33	2,581	
Infinity Communication Tech. Inc.	Affiliate of Bank SinoPac's directors	Financial assets at fair value through profit or loss	2,000	5,600	2.64	5,600		
Morrison Opto-Electronics Ltd.	-	Financial assets at fair value through profit or loss	717	64,377	2.98	64,377		

(Continued)

Holding Company	Type and Issuer of Marketable Securities	Relationship with Holding Company	Financial Statement Account	September 30, 2024				Note
				Shares/Units/ Face Amount	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
	BioGend Therapeutics Co., Ltd.	-	Financial assets at fair value through profit or loss	1,083	\$ 41,479	0.87	\$ 41,479	
	Hui-Min Environment Tech Corp.	-	Financial assets at fair value through profit or loss	871	50,231	2.48	50,231	
	Obigen Pharma, Inc.	-	Financial assets at fair value through profit or loss	1,000	40,120	0.94	40,120	
	Taiwania Capital Buffalo III Bioventures, LP	-	Financial assets at fair value through profit or loss	-	55,122	-	55,122	
	GE Technology Inc.	-	Financial assets at fair value through profit or loss	479	16,796	2.01	16,796	
	High Entropy Materials, Inc.	Affiliate of SinoPac Venture Capital's general manager	Financial assets at fair value through profit or loss	2,500	6,525	5.25	6,525	
	Evergreen Aviation Technologies Corporation	-	Financial assets at fair value through profit or loss	980	95,746	0.26	95,746	
	Mega Union Technology Inc.	-	Financial assets at fair value through profit or loss	600	209,860	0.89	209,860	
	Medeon Biodesign, Inc.	Related party	Financial assets at fair value through profit or loss	458	21,205	0.50	21,205	
	Phoenix Pioneer Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	1,536	19,123	0.52	19,123	
	PharmaEssentia Corp.	-	Financial assets at fair value through profit or loss	361	195,565	0.11	195,565	
	Airoha Technology Corp.	-	Financial assets at fair value through profit or loss	60	37,920	0.04	37,920	
	Mercuries F&B Co., Ltd.	-	Financial assets at fair value through profit or loss	350	29,694	0.58	29,694	
	Asia Best Life Care Co., Ltd.	-	Financial assets at fair value through profit or loss	2,748	59,849	1.60	59,849	
	Foxtron Vehicle Technologies Co., Ltd.	-	Financial assets at fair value through profit or loss	112	5,174	0.01	5,174	
	Pet Pharm Biotech Co., Ltd.	-	Financial assets at fair value through profit or loss	1,258	47,112	3.10	47,112	
	Clean Air Technology Limited	-	Financial assets at fair value through profit or loss	1,600	44,800	4.87	44,800	
	Eastern Union Interactive Corp.	-	Financial assets at fair value through profit or loss	498	80,666	2.00	80,666	
	Sunny Pharmtech Inc.	-	Financial assets at fair value through profit or loss	1,020	25,878	0.69	25,878	
	Asia Best Healthcare., Ltd	-	Financial assets at fair value through profit or loss	4	36,466	1.57	36,466	
	CGK International Co., Ltd.	-	Financial assets at fair value through profit or loss	1,540	24,994	3.52	24,994	

(Continued)

Holding Company	Type and Issuer of Marketable Securities	Relationship with Holding Company	Financial Statement Account	September 30, 2024				Note
				Shares/Units/ Face Amount	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
	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	20,952	4.58	20,952	
	Apollo Medical Optics Inc.	-	Financial assets at fair value through profit or loss	1,667	233	3.48	233	
	StemCyte International Ltd.	-	Financial assets at fair value through profit or loss	720	27,850	0.38	27,850	
	Telexpress Corp.	Affiliate of SinoPac Venture Capital's general manager	Financial assets at fair value through other comprehensive income	542	9,020	3.39	9,020	
	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	31,722	8.50	31,722	
	Lian An Co., Ltd.	Affiliate of Bank SinoPac's manager	Financial assets at fair value through other comprehensive income	125	2,754	5.00	2,754	
	Ecrowd Media Inc.	Affiliate of SPH board of director	Financial assets at fair value through other comprehensive income	1,863	40,516	9.19	40,516	
	Mei Ta Industrial Co., Ltd.	-	Financial assets at fair value through other comprehensive income	212	248,242	0.49	248,242	
	NP Taiwan, Inc.	-	Financial assets at fair value through other comprehensive income	207	10,621	5.88	10,621	
	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	54,663	6.02	54,663	
	Mozido C-1	-	Financial assets at fair value through other comprehensive income	60	-	0.01	-	
	Mozido C-2	-	Financial assets at fair value through other comprehensive income	259	-	0.05	-	
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	11	1,264	-	1,264	
	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	8,741	-	8,741	

(Continued)

Holding Company	Type and Issuer of Marketable Securities	Relationship with Holding Company	Financial Statement Account	September 30, 2024				Note
				Shares/Units/ Face Amount	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
SinoPac Securities Venture Capital	<u>Stock</u>							
	Evergreen Aviation Technologies Corporation	-	Financial assets at fair value through profit or loss	250	\$ 24,425	0.07	\$ 24,425	
	Hui-Min Environment Tech Corp.	-	Financial assets at fair value through profit or loss	460	26,528	1.31	26,528	
	Green Shepherd Corporation	-	Financial assets at fair value through profit or loss	392	10,074	2.77	10,074	
	Tantti Laboratory Inc.	-	Financial assets at fair value through profit or loss	300	3,213	0.83	3,213	
	Chenfeng Optronics Co., Ltd.	-	Financial assets at fair value through profit or loss	1,500	46,860	1.49	46,860	
	Cheng Mei Instrument Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	800	35,784	2.16	35,784	
	Taiwan Web Service Corporation	-	Financial assets at fair value through profit or loss	2,500	48,600	7.46	48,600	
	Horizon Fixture Group Co., Ltd.	-	Financial assets at fair value through profit or loss	139	32,596	0.25	32,596	
	Techzone Technology Materials Co., Ltd.	-	Financial assets at fair value through profit or loss	900	60,453	0.95	60,453	
	Augentix Inc.	-	Financial assets at fair value through profit or loss	700	15,792	2.03	15,792	
	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	1,424	61,816	3.43	61,816	
	Giant Heavy Machinery Service Corporation	-	Financial assets at fair value through profit or loss	2,360	122,012	3.78	122,012	
	Castec International Corp.	-	Financial assets at fair value through profit or loss	500	13,550	1.38	13,550	
	Altob Inc.	-	Financial assets at fair value through profit or loss	1,000	45,000	9.71	45,000	
Dong Fang Offshore Co., Ltd.	-	Financial assets at fair value through profit or loss	1,500	128,445	0.96	128,445		
Jtron Technology Corp.	-	Financial assets at fair value through profit or loss	1,000	50,000	5.56	50,000		

(Continued)

Holding Company	Type and Issuer of Marketable Securities	Relationship with Holding Company	Financial Statement Account	September 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	\$ 5,302	-	\$ 5,302	
	EMIRATES NBD BANK PJSC 3.6% 09NOV2031	-	Financial assets at fair value through profit or loss	620	12,203	-	12,203	
	EMIRATES NBD BANK PJSC 3.7% 23FEB2032	-	Financial assets at fair value through profit or loss	680	13,413	-	13,413	
	CREDIT AGRICOLE SA 5.411% 18JAN2029	-	Financial assets at fair value through profit or loss	3,300	74,137	-	74,137	
	CREDIT AGRICOLE SA FLOAT 18JAN2029	-	Financial assets at fair value through profit or loss	2,000	44,325	-	44,325	
	REGION RETAIL TRUST 5.55% 05MAR2031	-	Financial assets at fair value through profit or loss	500	11,167	-	11,167	
	BRISBANE AIRPORT CORP 5.9% 08MAR2034	-	Financial assets at fair value through profit or loss	800	18,091	-	18,091	
	AURIZON NETWORK PTY LTD 6.1% 12SEP2031	-	Financial assets at fair value through profit or loss	2,000	45,231	-	45,231	
	NATIONAL AUSTRALIA BANK 6.342% 06JUN2039	-	Financial assets at fair value through profit or loss	252	5,753	-	5,753	
	BANCO SANTANDER SA 6.444% 17JUL2034	-	Financial assets at fair value through profit or loss	600	13,465	-	13,465	
	CS 4 02/15/29	-	Financial assets at fair value through profit or loss	7,780	36,825	-	36,825	
	MASQUH 4 08/06/25 EMTN	-	Financial assets at fair value through profit or loss	18,790	85,926	-	85,926	
	EMIRATES NBD BANK PJSC 3.76% 24NOV2027	-	Financial assets at fair value through profit or loss	3,750	17,416	-	17,416	
	QNB FINANCE LTD 2.8% 24FEB2028	-	Financial assets at fair value through profit or loss	2,190	9,767	-	9,767	
	CREDIT SUISSE AG LONDON 2.4% 15SEP2027	-	Financial assets at fair value through profit or loss	830	3,733	-	3,733	
	NIPLIF V5.1 10/16/44 REGS	-	Financial assets at fair value through profit or loss	1,100	34,803	-	34,803	
	TENCNT 3.8 02/11/25 REGS	-	Financial assets at fair value through profit or loss	860	27,121	-	27,121	
	SOCGEN 4.25 04/14/25 REGS	-	Financial assets at fair value through profit or loss	1,250	39,283	-	39,283	
	FORCAY 3.375 04/22/25	-	Financial assets at fair value through profit or loss	400	12,556	-	12,556	
	DB 4.5 04/01/25	-	Financial assets at fair value through profit or loss	2,430	76,574	-	76,574	
C 4.4 06/10/25	-	Financial assets at fair value through profit or loss	270	8,510	-	8,510		

(Continued)

Holding Company	Type and Issuer of Marketable Securities	Relationship with Holding Company	Financial Statement Account	September 30, 2024				Note
				Shares/Units/ Face Amount	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
	ICBCAS 4.875 09/21/25 REGS	-	Financial assets at fair value through profit or loss	400	\$ 12,671	-	\$ 12,671	
	SOCGEN 4.75 11/24/25 REGS	-	Financial assets at fair value through profit or loss	950	29,876	-	29,876	
	STANLN 4.05 04/12/26 REGS	-	Financial assets at fair value through profit or loss	200	6,285	-	6,285	
	BACR 5.2 05/12/26	-	Financial assets at fair value through profit or loss	700	22,301	-	22,301	
	BNP 4.375 05/12/26 REGS	-	Financial assets at fair value through profit or loss	1,400	44,053	-	44,053	
	ABNANV 4.75 07/28/25 REGS	-	Financial assets at fair value through profit or loss	350	11,021	-	11,021	
	STANLN 4.3 02/19/27 REGS	-	Financial assets at fair value through profit or loss	150	4,707	-	4,707	
	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	7,561	-	7,561	
	BACR 4.836 05/09/28	-	Financial assets at fair value through profit or loss	2,199	69,653	-	69,653	
	CSSSHI 2.5 02/13/25	-	Financial assets at fair value through profit or loss	2,000	62,757	-	62,757	
	BOCAVI 3.25 04/29/25 REGS	-	Financial assets at fair value through profit or loss	400	12,538	-	12,538	
	PINGIN 2.75 06/02/25 EMTN	-	Financial assets at fair value through profit or loss	500	15,591	-	15,591	
	VW 4.75 11/13/28 REGS	-	Financial assets at fair value through profit or loss	940	29,773	-	29,773	
	MEITUAN 2.125% 28OCT2025	-	Financial assets at fair value through profit or loss	2,000	61,486	-	61,486	
	SINO TRENDY INVST 2.95% 30OCT2025	-	Financial assets at fair value through profit or loss	300	9,160	-	9,160	
	SAUDI ARABIAN OIL CO 1.625% 24NOV2025	-	Financial assets at fair value through profit or loss	600	18,360	-	18,360	
	TALENT YIELD INTNTNL 2% 06MAY2026	-	Financial assets at fair value through profit or loss	1,000	30,438	-	30,438	
	TALENT YIELD INTNTNL 3.125% 06MAY2031	-	Financial assets at fair value through profit or loss	400	11,624	-	11,624	
	ZHEJIANG EXPRESSWAY CO 1.638% 14JUL2026	-	Financial assets at fair value through profit or loss	1,000	30,101	-	30,101	
	XIAOMI BEST TIME INTL 2.875% 14JUL2031	-	Financial assets at fair value through profit or loss	1,000	28,152	-	28,152	
	TENCENT MUSIC ENT GRP 2% 03SEP2030	-	Financial assets at fair value through profit or loss	1,000	27,514	-	27,514	

(Continued)

Holding Company	Type and Issuer of Marketable Securities	Relationship with Holding Company	Financial Statement Account	September 30, 2024				Note
				Shares/Units/ Face Amount	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
	ANHUI TRANSPORTATION HK 1.618% 26AUG2026	-	Financial assets at fair value through profit or loss	1,400	\$ 41,768	-	\$ 41,768	
	ZHENGZHOU METRO GROUP 1.915% 15NOV2024	-	Financial assets at fair value through profit or loss	3,700	116,326	-	116,326	
	DEUTSCHE BANK NY1.269003% 16NOV2027	-	Financial assets at fair value through profit or loss	3,000	94,404	-	94,404	
	STANDARD CHARTERED PLC 0.980003% 23NOV2025	-	Financial assets at fair value through profit or loss	3,000	95,021	-	95,021	
	NATIONAL AUSTRALIA BANK 0.700003% 12JAN2027	-	Financial assets at fair value through profit or loss	500	15,834	-	15,834	
	NATIONAL AUSTRALIA BANK 0.430003% 12JAN2025	-	Financial assets at fair value through profit or loss	500	15,823	-	15,823	
	TSMC ARIZONA CORP 4.25% 22APR2032	-	Financial assets at fair value through profit or loss	420	13,221	-	13,221	
	TSMC ARIZONA CORP 3.875% 22APR2027	-	Financial assets at fair value through profit or loss	1,000	31,410	-	31,410	
	CITIGROUP GLOBAL MARKETS 4.2% 21JUN2032	-	Financial assets at fair value through profit or loss	1,000	30,732	-	30,732	
	TSMC GLOBAL LTD 4.625% 22JUL2032	-	Financial assets at fair value through profit or loss	1,065	34,359	-	34,359	
	SUNNY OPTICAL TECH 5.95% 17JUL2026	-	Financial assets at fair value through profit or loss	1,000	32,283	-	32,283	
	SK HYNIX INC 6.25% 17JAN2026	-	Financial assets at fair value through profit or loss	500	16,140	-	16,140	
	MITSUBISHI UFJ FINANCIAL GROUP, INC. (MUFG) 5.719% 20FEB2026	-	Financial assets at fair value through profit or loss	500	15,870	-	15,870	
	MITSUBISHI HC CAPITAL 5.08% 15SEP2027	-	Financial assets at fair value through profit or loss	485	15,619	-	15,619	
	MERCEDES-BENZ FIN NA 4.95% 30MAR2025	-	Financial assets at fair value through profit or loss	1,000	31,661	-	31,661	
	JPMORGAN CHASE & CO 4.323% 26APR2028	-	Financial assets at fair value through profit or loss	1,000	31,714	-	31,714	
	SK ON CO LTD 5.375% 11MAY2026	-	Financial assets at fair value through profit or loss	200	6,414	-	6,414	
	BANK OF AMERICA CORP 5.202% 25APR2029	-	Financial assets at fair value through profit or loss	500	16,275	-	16,275	
	ELECTRICITE DE FRANCE SA 5.7% 23MAY2028	-	Financial assets at fair value through profit or loss	1,000	32,996	-	32,996	
	KUBOTA CREDIT USA 4.958% 31MAY2026	-	Financial assets at fair value through profit or loss	1,000	31,927	-	31,927	
	SWEDBANK AB FLOAT 15JUN2026	-	Financial assets at fair value through profit or loss	3,000	96,248	-	96,248	

(Continued)

Holding Company	Type and Issuer of Marketable Securities	Relationship with Holding Company	Financial Statement Account	September 30, 2024				Note
				Shares/Units/ Face Amount	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
	CLP POWER HK FINANCE LTD 3.55% PERP	-	Financial assets at fair value through profit or loss	1,000	\$ 31,339	-	\$ 31,339	
	CHINA LIFE INSU OVERS/HK 5.35% 15AUG2033	-	Financial assets at fair value through profit or loss	1,000	32,467	-	32,467	
	ABN AMRO BANK NV 6.339% 18SEP2027	-	Financial assets at fair value through profit or loss	2,000	65,541	-	65,541	
	ABN AMRO BANK NV FLOAT 18SEP2027	-	Financial assets at fair value through profit or loss	3,000	96,321	-	96,321	
	BANCO SANTANDER SA 6.527% 07NOV2027	-	Financial assets at fair value through profit or loss	400	13,207	-	13,207	
	AUST & NZ BANKING GROUP 5.731% 18SEP2034	-	Financial assets at fair value through profit or loss	1,400	45,690	-	45,690	
	E SUN COMMERCIAL BANK OF SYDNEY 0% 29NOV2024 CD	-	Financial assets at fair value through profit or loss	300	9,423	-	9,423	
	STANDARD CHARTERED PLC 5.688% 14MAY2028	-	Financial assets at fair value through profit or loss	2,000	65,029	-	65,029	
	BEAM SUNTORY INC 6.625% 15JUL2028	-	Financial assets at fair value through profit or loss	1,000	34,061	-	34,061	
	ZHONGYUAN ZHICHENG CO 5.9% 20JUN2027	-	Financial assets at fair value through profit or loss	3,000	96,606	-	96,606	
	HYUNDAI CAPITAL AMERICA 5.4% 24JUN2031	-	Financial assets at fair value through profit or loss	1,000	32,791	-	32,791	
	HYUNDAI CAPITAL AMERICA FLOAT 24JUN2027	-	Financial assets at fair value through profit or loss	1,000	31,668	-	31,668	
	ENEL FINANCE INTL NV 5.5% 26JUN2034	-	Financial assets at fair value through profit or loss	500	16,345	-	16,345	
	FIRST ABU DHABI BANK PJS FLOAT 22JUL2029	-	Financial assets at fair value through profit or loss	500	15,871	-	15,871	
	MEITUAN 4.5% 02APR2028	-	Financial assets at fair value through profit or loss	1,000	31,441	-	31,441	
	MEITUAN 4.625% 02OCT2029	-	Financial assets at fair value through profit or loss	500	15,753	-	15,753	
	CREDIT SUISSE AG LONDON 7.73% 15JUN2028	-	Financial assets at fair value through profit or loss	7,000	12,965	-	12,965	
	SOCGEN 3.5 07/09/26 EMTN	-	Financial assets at fair value through profit or loss	10,000	45,760	-	45,760	
	SAIL 2004-10 M1	-	Financial assets at fair value through profit or loss	5,000	21,349	-	21,349	
	BOCAVI F 05/21/25 GMTN	-	Financial assets at fair value through profit or loss	500	15,895	-	15,895	
	ABIBB 4.7 02/01/36 REGS	-	Financial assets at fair value through profit or loss	150	4,450	-	4,450	

(Continued)

Holding Company	Type and Issuer of Marketable Securities	Relationship with Holding Company	Financial Statement Account	September 30, 2024				Note
				Shares/Units/ Face Amount	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
	ORIX 5.277 03/04/27	-	Financial assets at fair value through other comprehensive income	1,500	\$ 33,198	-	\$ 33,198	
	VW 5.55 06/14/28	-	Financial assets at fair value through other comprehensive income	4,000	88,824	-	88,824	
	AIRNZ 5.7 05/25/26	-	Financial assets at fair value through other comprehensive income	3,500	77,218	-	77,218	
	MET Float 07/11/29	-	Financial assets at fair value through other comprehensive income	5,000	111,006	-	111,006	
	ORIX 4.987 02/28/28	-	Financial assets at fair value through other comprehensive income	3,000	65,985	-	65,985	
	LBBW Float 08/02/29	-	Financial assets at fair value through other comprehensive income	4,000	87,713	-	87,713	
	TOYOTA Float 09/17/29	-	Financial assets at fair value through other comprehensive income	2,500	54,774	-	54,774	
	QIBKQD F 02/07/25 EMTN	-	Financial assets at fair value through other comprehensive income	6,000	190,297	-	190,297	
	TAISEM 1 09/28/27	-	Financial assets at fair value through other comprehensive income	3,000	86,602	-	86,602	
	SINOPE 1.45 01/08/26	-	Financial assets at fair value through other comprehensive income	4,000	122,309	-	122,309	
	HYNMTR 1.3 01/08/26	-	Financial assets at fair value through other comprehensive income	1,000	30,412	-	30,412	
	HYNMTR 1.8 01/08/28	-	Financial assets at fair value through other comprehensive income	1,000	29,014	-	29,014	
	QNBK 1 3/8 01/26/26	-	Financial assets at fair value through other comprehensive income	3,000	90,782	-	90,782	
	FORCAY 3 3/8 04/22/25	-	Financial assets at fair value through other comprehensive income	6,720	210,943	-	210,943	
	SANUK 1.673 06/14/27	-	Financial assets at fair value through other comprehensive income	2,000	60,236	-	60,236	
	SMBCAC 2.3 06/15/28	-	Financial assets at fair value through other comprehensive income	3,000	87,372	-	87,372	
	HPQ 1.45 06/17/26	-	Financial assets at fair value through other comprehensive income	1,000	30,178	-	30,178	
	ARAMCO 1.602 06/17/26	-	Financial assets at fair value through other comprehensive income	2,000	60,331	-	60,331	
	HYNMTR 2 06/15/28	-	Financial assets at fair value through other comprehensive income	500	14,479	-	14,479	
	HYNMTR 1 1/2 06/15/26	-	Financial assets at fair value through other comprehensive income	500	15,066	-	15,066	
	NOMURA 1.653 07/14/26	-	Financial assets at fair value through other comprehensive income	3,000	90,289	-	90,289	

(Continued)

Holding Company	Type and Issuer of Marketable Securities	Relationship with Holding Company	Financial Statement Account	September 30, 2024				Note
				Shares/Units/ Face Amount	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
	MIZUHO 1.554 07/09/27	-	Financial assets at fair value through other comprehensive income	1,000	\$ 30,127	-	\$ 30,127	
	DANBNK 6.259 09/22/26	-	Financial assets at fair value through other comprehensive income	3,000	96,411	-	96,411	
	DNBNO 5.896 10/09/26	-	Financial assets at fair value through other comprehensive income	1,000	32,034	-	32,034	
	UBS 6.373 07/15/26	-	Financial assets at fair value through other comprehensive income	3,000	95,979	-	95,979	
	HYNMTR Float 06/24/27	-	Financial assets at fair value through other comprehensive income	1,000	31,668	-	31,668	
	SUMIFL 5.109 01/23/29	-	Financial assets at fair value through other comprehensive income	1,600	51,624	-	51,624	
	FUBBAN 4.08 01/09/25	-	Financial assets at fair value through other comprehensive income	25,000	113,022	-	113,022	
	<u>Stock</u>							
	PCCW Solutions Limited	-	Financial assets at fair value through other comprehensive income	1,747	30,408	0.02	30,408	
	CK Infrastructure Holdings Limited	-	Financial assets at fair value through other comprehensive income	252	54,649	0.01	54,649	
	Industrial and Commercial Bank of China Limited	-	Financial assets at fair value through other comprehensive income	2,706	51,181	-	51,181	
	BOC Hong Kong (Holdings) Limited	-	Financial assets at fair value through other comprehensive income	456	46,284	-	46,284	
	Bank of Communications Co., Ltd.	-	Financial assets at fair value through other comprehensive income	1,996	48,492	0.01	48,492	
	China Galaxy Securities Co., Ltd.	-	Financial assets at fair value through other comprehensive income	2,025	59,913	0.05	59,913	
	<u>Fund</u>							
	SAMSUNG NYSE FANG+ ETF	-	Financial assets at fair value through profit or loss	200	25,485	-	25,485	
	SAMSUNG BITCOIN FUTURES ACTIVE ETF	-	Financial assets at fair value through profit or loss	980	93,398	-	93,398	

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

SEPTEMBER 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	\$ 2,305,361 (Note 1)	-	\$ -	-	\$ -	\$ -
SPH	SinoPac Securities	Subsidiary	424,874 (Note 1)	-	-	-	-	-
Bank SinoPac	SPH	Parent company of Bank SinoPac	1,055,679 (Note 1)	-	-	-	-	-
SinoPac Securities	SPH	Parent company of SinoPac Securities	329,964 (Note 1)	-	-	-	-	-
SinoPac Leasing	SPH	Parent company of SPL	306,666 (Note 1)	-	-	-	-	-
SinoPac Securities (Cayman)	SinoPac Securities (Asia)	Subsidiary of SinoPac Securities (Cayman)	949,689 (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

TOTAL BOOK VALUE OF MAXIMUM CREDIT RISK EXPOSURES FINANCIAL ASSETS

SEPTEMBER 30, 2024, DECEMBER 31, 2023 AND SEPTEMBER 30, 2023

(In Thousands of New Taiwan Dollars)

September 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	\$ 871,557,903	\$ 3,619,010	\$ 5,516,995	\$ 880,693,908	\$ 1,502,074	\$ 796,578	\$ 621,130	\$ 8,640,864	\$ 11,560,646	
Consumer banking	733,373,310	4,612,004	1,524,685	739,509,999	155,854	224,151	300,663	9,322,826	10,003,494	
Receivables										
Credit card receivable	20,832,064	293,902	605,074	21,731,040	2,806	5,939	24,411	117,013	150,169	
Net accounts receivable - factoring (Note 1)	6,524,529	-	-	6,524,529	4,328	-	-	111,924	116,252	
Other receivable	144,748,396	369,212	319,691	145,437,299	92,265	62,415	200,263	125,757	480,700	
Other financial assets (Note 2)	3,504,692	41,494	252,349	3,798,535	33,707	10,219	159,813	-	203,739	
Debt instrument at fair value through other comprehensive income	353,767,505	-	-	353,767,505	65,315	-	-	-	65,315	
Investments in debt instruments at amortized cost	319,079,699	-	-	319,079,699	25,400	-	-	-	25,400	

(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

September 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	\$ 773,400,574	\$ 757,881	\$ 4,257,699	\$ 778,416,154	\$ 2,597,855	\$ 377,257	\$ 689,847	\$ 6,016,679	\$ 9,681,638
Consumer banking	671,521,544	4,146,036	1,137,553	676,805,133	115,228	157,987	226,628	8,623,255	9,123,098
Receivables									
Credit card receivable	19,586,513	275,153	629,955	20,491,621	3,010	4,613	23,557	119,333	150,513
Net accounts receivable - factoring (Note 1)	10,934,757	-	-	10,934,757	9,143	-	-	179,541	188,684
Other receivable	86,190,523	157,490	4,032,601	90,380,614	89,005	11,628	320,521	132,878	554,032
Other financial assets (Note 2)	3,521,277	21,471	135,104	3,677,852	31,405	5,666	115,831	-	152,902
Debt instrument at fair value through other comprehensive income	319,928,304	-	-	319,928,304	40,658	-	-	-	40,658
Investments in debt instruments at amortized cost	302,082,873	-	-	302,082,873	24,325	-	-	-	24,325

(Continued)

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 NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

For the Nine Months Ended September 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	(21,711)	1,502,363	(90,426)	1,390,226	-	1,390,226
From conversion to credit-impaired financial assets	(1,340)	(871,706)	968,181	95,135	-	95,135
To 12-month ECL	2,991	(264,506)	(307)	(261,822)	-	(261,822)
Derecognizing financial assets during the current period	(2,490,688)	(144,776)	(199,111)	(2,834,575)	-	(2,834,575)
Purchased or originated new financial assets	2,067,656	157,524	55,105	2,280,285	-	2,280,285
The adjustments under regulations governing the procedures for banking institutions to evaluate assets and deal with non-performing/non-accrual loans	-	-	-	-	2,380,537	2,380,537
Write-off	-	-	(775,497)	(775,497)	(201,958)	(977,455)
Changes in model/risk parameters	(106,061)	(42,443)	(37,793)	(186,297)	-	(186,297)
Effect of exchange rate changes and others	49,910	1,874	149,607	201,391	45,126	246,517
Balance, September 30	<u>\$ 1,657,928</u>	<u>\$ 1,020,729</u>	<u>\$ 921,793</u>	<u>\$ 3,600,450</u>	<u>\$ 17,963,690</u>	<u>\$ 21,564,140</u>

(Continued)

For the Nine Months Ended September 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	(12,512)	962,095	(18,372)	931,211	-	931,211
From conversion to credit-impaired financial assets	(170,704)	(214,102)	604,259	219,453	-	219,453
To 12-month ECL	3,223	(182,837)	(40,522)	(220,136)	-	(220,136)
Derecognizing financial assets during the current period	(2,744,845)	(298,872)	(115,421)	(3,159,138)	-	(3,159,138)
Purchased or originated new financial assets	3,054,291	7,834	75,432	3,137,557	-	3,137,557
The adjustments under regulations governing the procedures for banking institutions to evaluate assets and deal with non-performing/non-accrual loans	-	-	-	-	468,548	468,548
Write-off	-	-	(391,803)	(391,803)	(41,744)	(433,547)
Changes in model/risk parameters	84,489	(26,070)	(1,389)	57,030	-	57,030
Effect of exchange rate changes and others	42,570	(2)	80,800	123,368	67,905	191,273
Balance, September 30	<u>\$ 2,713,083</u>	<u>\$ 535,244</u>	<u>\$ 916,475</u>	<u>\$ 4,164,802</u>	<u>\$ 14,639,934</u>	<u>\$ 18,804,736</u>

(Concluded)

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

CHANGES IN ALLOWANCE FOR RECEIVABLES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

For the Nine Months Ended September 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	(4,301)	47,426	(6,136)	36,989	-	36,989
From conversion to credit-impaired financial assets	(434)	(94,872)	176,500	81,194	-	81,194
To 12-month ECL	(65)	(3,267)	(97)	(3,429)	-	(3,429)
Derecognizing financial assets during the current period	(94,802)	(98,367)	(27,071)	(220,240)	-	(220,240)
Purchased or originated new financial assets	96,532	168,060	140,622	405,214	-	405,214
The adjustments under regulations governing the procedures for banking institutions to evaluate assets and deal with non-performing/non-accrual loans	-	-	-	-	49,517	49,517
Write-off	-	(1,504)	(404,943)	(406,447)	(123,096)	(529,543)
Changes in model/risk parameters	(3,952)	5,818	(648)	1,218	-	1,218
Effect of exchange rate changes and others	11,580	1,975	16,903	30,458	5,492	35,950
Balance, September 30	<u>\$ 133,106</u>	<u>\$ 78,573</u>	<u>\$ 384,487</u>	<u>\$ 596,166</u>	<u>\$ 354,694</u>	<u>\$ 950,860</u>

Note: The amounts of receivable include receivable and other financial assets shown in Table 5.

(Continued)

For the Nine Months Ended September 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	(1,187)	15,076	(5,902)	7,987	-	7,987
From conversion to credit-impaired financial assets	(150)	(22,314)	98,864	76,400	-	76,400
To 12-month ECL	1,114	(3,352)	(339)	(2,577)	-	(2,577)
Derecognizing financial assets during the current period	(70,184)	(16,917)	(23,960)	(111,061)	-	(111,061)
Purchased or originated new financial assets	93,763	26,779	44,919	165,461	-	165,461
The adjustments under regulations governing the procedures for banking institutions to evaluate assets and deal with non-performing/non-accrual loans	-	-	-	-	109,224	109,224
Write-off	(1)	(296)	(88,819)	(89,116)	(78,479)	(167,595)
Changes in model/risk parameters	(1,763)	5,027	(790)	2,474	-	2,474
Effect of exchange rate changes and others	5,825	1,895	4,398	12,118	7,056	19,174
Balance, September 30	<u>\$ 132,563</u>	<u>\$ 21,907</u>	<u>\$ 459,909</u>	<u>\$ 614,379</u>	<u>\$ 431,752</u>	<u>\$ 1,046,131</u>

Note: The amounts of receivable include receivable and other financial assets shown in Table 5.

(Concluded)

TABLE 8

**SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND
SUBSIDIARIES**

**CHANGE IN ALLOWANCE FOR DEBT INSTRUMENT AT FAIR VALUE THROUGH OTHER
COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(In Thousands of New Taiwan Dollars)**

For the Nine Months Ended September 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	17,210	-	-	17,210
Derecognized	(11,767)	-	-	(11,767)
Changes in model/risk parameters	16,643	-	-	16,643
Effect of exchange rate changes and others	<u>1,233</u>	-	-	<u>1,233</u>
Balance September 30	<u>\$ 65,315</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,315</u>

For the Nine Months Ended September 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	4,437	-	-	4,437
Derecognized	(6,567)	-	-	(6,567)
Changes in model/risk parameters	(9,957)	-	-	(9,957)
Effect of exchange rate changes and others	<u>1,515</u>	-	-	<u>1,515</u>
Balance September 30	<u>\$ 40,658</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,658</u>

TABLE 9

**SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND
SUBSIDIARIES**

**CHANGE IN ALLOWANCE FOR DEBT INSTRUMENT AT AMORTIZED COST
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(In Thousands of New Taiwan Dollars)**

For the Nine Months Ended September 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	1,629	-	-	1,629
Derecognized	(2,356)	-	-	(2,356)
Change in model/risk parameters	8,610	-	-	8,610
Effect of exchange rate changes and others	<u>(6,290)</u>	-	-	<u>(6,290)</u>
Balance September 30	<u>\$ 25,400</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,400</u>

For the Nine Months Ended September 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	9,257	-	-	9,257
Derecognized	(1,289)	-	-	(1,289)
Change in model/risk parameters	(1,302)	-	-	(1,302)
Effect of exchange rate changes and others	<u>885</u>	-	-	<u>885</u>
Balance September 30	<u>\$ 24,325</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,325</u>

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

RELATED-PARTY TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 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	Cash and cash equivalents, net	\$ 150,721	Note 4	-
		Bank SinoPac	a	Receivables, net	1,435,025	Note 4	0.05
		Bank SinoPac	a	Current income tax assets	870,240	Note 4	0.03
		Bank SinoPac	a	Payables	659	Note 4	-
		Bank SinoPac	a	Current income tax liabilities	1,055,020	Note 4	0.03
		SinoPac Securities	a	Current income tax assets	424,874	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	14,813	Note 4	-
		SinoPac Leasing	a	Investments accounted for using equity method	57,102	Note 4	-
		SinoPac Leasing	a	Right-of-use assets, net	508,725	Note 4	0.02
		SinoPac Leasing	a	Current income tax liabilities	306,666	Note 4	0.01
		SinoPac Leasing	a	Lease liabilities	571,808	Note 4	0.02
		SinoPac Leasing	a	Interest expenses	20,640	Note 4	0.04
		SinoPac Leasing	a	Depreciation and amortization expense	34,753	Note 4	0.07
1	Bank SinoPac	SinoPac Financial Holdings	b	Receivables, net	659	Note 4	-
		SinoPac Financial Holdings	b	Current income tax assets	1,055,020	Note 4	0.03
		SinoPac Financial Holdings	b	Payables	1,435,025	Note 4	0.05
		SinoPac Financial Holdings	b	Current income tax liabilities	870,240	Note 4	0.03
		SinoPac Financial Holdings	b	Deposits and remittances	150,721	Note 4	-
		SinoPac Securities	c-1	Receivables, net	20,884	Note 4	-
		SinoPac Securities	c-1	Payables	7,072	Note 4	-
		SinoPac Securities	c-1	Deposits and remittances	4,095,393	Note 4	0.13
		SinoPac Securities	c-1	Service fee and commissions income, net (commissions and fee revenue)	168,194	Note 4	0.34
		SinoPac Securities	c-1	Service fee and commissions income, net (commissions and fee expense)	33,450	Note 4	0.07
		SinoPac Securities	c-1	Net other revenue other than interest income	13,326	Note 4	0.03
		SinoPac Securities	c-1	Other general and administrative expenses	1,479	Note 4	-
		SinoPac Securities Investment Service	c-1	Deposits and remittances	113,446	Note 4	-
		SinoPac Securities Venture Capital	c-1	Deposits and remittances	105,018	Note 4	-
		SinoPac Securities Investment Trust	c-1	Net other revenue other than interest income	7,429	Note 4	0.01
		SinoPac Leasing	c-1	Receivables, net	151	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	-
SinoPac Leasing	c-1	Right-of-use assets, net	472,818	Note 4	0.02		
SinoPac Leasing	c-1	Deposits and remittances	143,870	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 Bank SinoPac (China) Ltd.	c-1 c-1 c-1 c-1 c-1	Lease liabilities Interest income Interest expenses Depreciation and amortization expense Receivables, net	\$ 525,721 3,333 18,975 32,277 100,698	Note 4 Note 4 Note 4 Note 4 Note 4	0.02 0.01 0.04 0.06 -
2	Bank SinoPac (China) Ltd.	Bank SinoPac SinoPac International Leasing	c-2 c-1	Payables Deposits and remittances	100,698 165,593	Note 4 Note 4	- 0.01
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 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-1	Current income tax assets Deferred income tax assets Current income tax liabilities Cash and cash equivalents, net 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	329,964 547 424,874 2,889,792 41 7,072 309 1,205,560 22,775 20,884 23,040 270 127,246 5,669 10,692 14,008 857,517	Note 4 Note 4 Note 4 Note 4 Note 4 Note 4 Note 4 Note 4 Note 4 Note 4 Note 4 Note 4 Note 4 Note 4 Note 4 Note 4 Note 4 Note 4 Note 4 Note 4	0.01 - 0.01 0.09 - - - 0.04 - - - - 0.25 0.01 0.02 0.03 0.03
4	SinoPac Futures	SinoPac Securities SinoPac Securities (Asia)	c-2 c-1	Other financial liabilities Other financial assets, net	857,517 1,048,189	Note 4 Note 4	0.03 0.03
5	SinoPac Securities Investment Service	Bank SinoPac Bank SinoPac	c-2 c-2	Cash and cash equivalents, net Other financial assets, net	29,199 84,247	Note 4 Note 4	- -
6	SinoPac Securities Venture Capital	Bank SinoPac	c-2	Cash and cash equivalents, net	105,018	Note 4	-
7	SinoPac Securities (Cayman)	SinoPac Securities (Asia)	c-1	Receivables, net	949,689	Note 4	0.03
8	SinoPac Securities (Asia)	SinoPac Futures SinoPac Securities (Cayman) SinoPac Capital (Asia)	c-2 c-2 c-1	Other financial liabilities Long-term borrowings Payables	1,048,189 949,689 223,960	Note 4 Note 4 Note 4	0.03 0.03 0.01
9	SinoPac Capital (Asia)	SinoPac Securities (Asia)	c-2	Receivables, net	223,960	Note 4	0.01

(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)
10	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	40,915	Note 4	-
		Bank SinoPac	c-2	Lease liabilities	41,232	Note 4	-
		Bank SinoPac	c-2	Interest expenses	585	Note 4	-
		Bank SinoPac	c-2	Depreciation and amortization expense	7,109	Note 4	0.01
11	SinoPac Leasing	SinoPac Financial Holdings	b	Current income tax assets	306,666	Note 4	0.01
		SinoPac Financial Holdings	b	Current income tax liabilities	14,813	Note 4	-
		SinoPac Financial Holdings	b	Net other revenue other than interest income	49,412	Note 4	0.10
		Bank SinoPac	c-2	Cash and cash equivalents, net	143,870	Note 4	-
		Bank SinoPac	c-2	Payables	151	Note 4	-
		Bank SinoPac	c-2	Long-term borrowings	400,000	Note 4	0.01
		Bank SinoPac	c-2	Interest expenses	3,333	Note 4	0.01
		Bank SinoPac	c-2	Net other revenue other than interest income	45,378	Note 4	0.09
12	SinoPac International Leasing	Bank SinoPac (China) Ltd.	c-2	Cash and cash equivalents, net	165,593	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

SEPTEMBER 30, 2024, DECEMBER 31, 2023 AND SEPTEMBER 30, 2023

(In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2024	December 31, 2023	September 30, 2023	LIABILITIES AND EQUITY	September 30, 2024	December 31, 2023	September 30, 2023
CASH AND CASH EQUIVALENTS	\$ 150,726	\$ 27,341	\$ 549,683	COMMERCIAL PAPERS ISSUED, NET	\$ 13,249,340	\$ 14,533,175	\$ 14,858,080
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	55,766	37,093	33,132	PAYABLES	313,865	290,288	259,009
RECEIVABLES, NET	1,435,262	1,435,124	1,435,253	CURRENT INCOME TAX LIABILITIES	3,904,658	3,271,659	3,223,519
CURRENT INCOME TAX ASSETS	1,451,256	1,358,867	1,271,175	CORPORATE BONDS PAYABLE	9,996,882	9,994,837	9,994,152
INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD, NET	228,141,287	213,649,133	203,372,021	PREFERRED STOCK LIABILITIES	18,437	18,437	18,437
PROPERTY AND EQUIPMENT, NET	18,087	23,328	22,681	PROVISIONS	62,571	64,484	63,150
RIGHT-OF-USE ASSETS, NET	518,098	560,680	572,031	LEASE LIABILITIES	581,006	618,066	627,085
INTANGIBLE ASSETS, NET	14,815	6,177	6,106	OTHER LIABILITIES	<u>25,420</u>	<u>25,421</u>	<u>25,464</u>
DEFERRED INCOME TAX ASSETS	12,302	12,671	12,399	Total liabilities	<u>28,152,179</u>	<u>28,816,367</u>	<u>29,068,896</u>
OTHER ASSETS, NET	<u>27,622</u>	<u>41,909</u>	<u>17,757</u>	EQUITY			
				Capital stock			
				Common 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>42,751,259</u>	<u>25,164,031</u>	<u>21,056,226</u>
				Total retained earnings	<u>74,260,084</u>	<u>63,599,912</u>	<u>59,492,107</u>
				Other equity	<u>(3,574,912)</u>	<u>(5,157,716)</u>	<u>(11,162,525)</u>
				Total equity	<u>203,673,042</u>	<u>188,335,956</u>	<u>178,223,342</u>
TOTAL	<u>\$ 231,825,221</u>	<u>\$ 217,152,323</u>	<u>\$ 207,292,238</u>	TOTAL	<u>\$ 231,825,221</u>	<u>\$ 217,152,323</u>	<u>\$ 207,292,238</u>

TABLE 12**SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED****STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
REVENUES				
Share of profit of subsidiaries for using equity method	\$ 6,333,680	\$ 5,751,972	\$ 19,416,783	\$ 16,102,962
Others	3,307	15,476	70,137	53,295
EXPENSES AND LOSSES				
Operating expenses	(133,944)	(118,984)	(405,347)	(377,916)
Others	<u>(45,504)</u>	<u>(72,025)</u>	<u>(268,522)</u>	<u>(226,054)</u>
PROFIT FROM CONTINUING OPERATIONS BEFORE TAX	6,157,539	5,576,439	18,813,051	15,552,287
INCOME TAX (EXPENSE) BENEFIT	<u>105,769</u>	<u>35,802</u>	<u>(364,374)</u>	<u>159,458</u>
NET INCOME	6,263,308	5,612,241	18,448,677	15,711,745
OTHER COMPREHENSIVE INCOME	<u>3,477,804</u>	<u>(423,248)</u>	<u>6,170,739</u>	<u>4,372,539</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 9,741,112</u>	<u>\$ 5,188,993</u>	<u>\$ 24,619,416</u>	<u>\$ 20,084,284</u>
BASIC EARNINGS PER SHARE	<u>\$0.49</u>	<u>\$0.44</u>	<u>\$1.45</u>	<u>\$1.26</u>
DILUTED EARNINGS PER SHARE	<u>\$0.49</u>	<u>\$0.44</u>	<u>\$1.45</u>	<u>\$1.26</u>

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED

STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	Retained Earnings						Other Equity			Total	Total Equity
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total Retained Earnings	Exchange Differences on Translating of Foreign Operations	Unrealized Gains (Losses) on Financial Assets at Fair Value through Other Comprehensive Income	Changes in Fair Value of Financial Liability Attributable to Charge in Credit Risk of Liability		
BALANCE AT JANUARY 1, 2023	\$ 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)	-	-	-	-	-
Net income for the nine months ended September 30, 2023	-	-	-	-	15,711,745	15,711,745	-	-	-	-	15,711,745
Other comprehensive income for the nine months ended September 30, 2023, net of income tax	-	-	-	-	-	-	258,144	4,097,385	17,010	4,372,539	4,372,539
Total comprehensive income for the nine months ended September 30, 2023	-	-	-	-	15,711,745	15,711,745	258,144	4,097,385	17,010	4,372,539	20,084,284
Issuance of common stocks for cash	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	-	-	-	-	1,334,852	1,334,852	-	(1,334,852)	-	(1,334,852)	-
BALANCE AT SEPTEMBER 30, 2023	<u>\$ 123,764,399</u>	<u>\$ 6,129,361</u>	<u>\$ 23,751,851</u>	<u>\$ 14,684,030</u>	<u>\$ 21,056,226</u>	<u>\$ 59,492,107</u>	<u>\$ (932,725)</u>	<u>\$ (10,200,165)</u>	<u>\$ (29,635)</u>	<u>\$ (11,162,525)</u>	<u>\$ 178,223,342</u>
BALANCE AT JANUARY 1, 2024	\$ 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)	-	-	-	-	-
Net income for the nine months ended September 30, 2024	-	-	-	-	18,448,677	18,448,677	-	-	-	-	18,448,677
Other comprehensive income for the nine months ended September 30, 2024, net of income tax	-	-	-	-	-	-	640,301	5,522,623	7,815	6,170,739	6,170,739
Total comprehensive income for the nine months ended September 30, 2024	-	-	-	-	18,448,677	18,448,677	640,301	5,522,623	7,815	6,170,739	24,619,416
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	4,587,935	4,587,935	-	(4,587,935)	-	(4,587,935)	-
BALANCE AT SEPTEMBER 30, 2024	<u>\$ 126,858,509</u>	<u>\$ 6,129,361</u>	<u>\$ 25,867,291</u>	<u>\$ 5,641,534</u>	<u>\$ 42,751,259</u>	<u>\$ 74,260,084</u>	<u>\$ (735,656)</u>	<u>\$ (2,804,800)</u>	<u>\$ (34,456)</u>	<u>\$ (3,574,912)</u>	<u>\$ 203,673,042</u>

TABLE 14**SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED****STATEMENTS OF CASH FLOWS****FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023****(In Thousands of New Taiwan Dollars)**

	For the Nine Months Ended September 30	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit from continuing operations before tax	\$ 18,813,051	\$ 15,552,287
Adjustments for:		
Depreciation expense	48,538	47,863
Amortization expense	1,937	1,041
Interest expense	201,931	174,640
Interest income	(668)	(4,476)
Dividend revenue	(1,574)	(1,405)
Net change in other provisions	2	3
Share-based payments	-	424
Share of profit of subsidiaries for using equity method	(19,416,783)	(16,102,962)
Losses on disposal and retirement of property and equipment	13	-
Gain on modification of lease	(101)	-
Changes in operating assets and liabilities		
Increase in receivables	(44)	(50)
Decrease in other assets	14,615	26,117
Increase in payables	12,557	49,268
(Decrease) increase in provisions for employee benefits	(1,915)	2,978
(Decrease) increase in other liabilities	(1)	3,061
Interest received	252	4,104
Dividend received	11,078,269	1,207,694
Interest paid	(188,866)	(161,705)
Income tax refunded	<u>176,605</u>	<u>325,967</u>
Net cash generated from operating activities	<u>10,737,818</u>	<u>1,124,849</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(6,197)	(4,700)
Acquisition of investments accounted for using equity method	-	(10,000,000)
Acquisition of intangible assets	<u>(3,986)</u>	<u>(2,274)</u>
Net cash used in investing activities	<u>(10,183)</u>	<u>(10,006,974)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in commercial papers issued	(1,283,835)	5,445,346
Issuance of common stock for cash	-	11,250,000
Cash dividend paid	(9,282,330)	(7,280,259)
Payments of lease liabilities	<u>(38,085)</u>	<u>(35,989)</u>
Net cash (used in) generated from financing activities	<u>(10,604,250)</u>	<u>9,379,098</u>

(Continued)

	For the Nine Months Ended September 30	
	2024	2023
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 123,385	\$ 496,973
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>\$ 150,726</u>	<u>\$ 549,683</u>

(Concluded)

TABLE 15-1

Bank SinoPac
Balance Sheets
September 30, 2024 and 2023
(In Thousands of New Taiwan Dollars)

Assets	September 30		Liabilities	September 30	
	2024	2023		2024	2023
Cash and cash equivalents	\$ 36,362,814	\$ 23,176,935	Deposits from the Central Bank and banks	\$ 81,480,460	\$ 81,464,084
Due from the Central Bank and call loans to banks	177,382,138	171,175,142	Financial liabilities at fair value through profit or loss	31,728,363	46,353,247
Financial assets at fair value through profit or loss	67,165,885	88,856,203	Securities sold under repurchase agreements	65,113,675	35,067,434
Financial assets at fair value through other comprehensive income	328,193,565	302,719,734	Payables	26,971,557	29,338,563
Investments in debt instruments at amortized cost	319,054,299	302,058,548	Current income tax liabilities	1,234,842	1,439,173
Securities purchased under resell agreements	93,415,691	55,253,091	Deposits and remittances	2,185,959,175	1,961,593,880
Receivables, net	67,983,921	58,463,133	Bank debentures	53,784,355	58,252,126
Current income tax assets	1,300,730	1,575,110	Other financial liabilities	49,325,700	43,763,555
Discounts and loans, net	1,554,168,595	1,390,927,776	Provisions	2,581,842	2,377,844
Investments accounted for using equity method	10,960,613	10,317,969	Lease liabilities	2,918,866	2,560,024
Other financial assets, net	10,337,930	5,156,216	Deferred income tax liabilities	1,010,016	1,191,065
Property and equipment, net	9,998,843	9,476,388	Other liabilities	5,520,117	6,384,680
Right-of-use assets, net	2,803,562	2,474,619	Total liabilities	<u>2,507,628,968</u>	<u>2,269,785,675</u>
Investment property, net	570,777	918,691			
Intangible assets, net	1,765,183	1,728,105	Equity		
Deferred income tax assets	1,519,045	1,338,275	Capital stock	103,781,984	96,992,508
Other assets, net	<u>8,965,467</u>	<u>7,927,437</u>	Capital surplus	15,581,418	15,581,418
			Retained earnings	70,137,527	62,859,640
			Other equity	<u>(5,180,839)</u>	<u>(11,675,869)</u>
			Total equity	<u>184,320,090</u>	<u>163,757,697</u>
Total assets	<u>\$ 2,691,949,058</u>	<u>\$ 2,433,543,372</u>	Total liabilities and equity	<u>\$ 2,691,949,058</u>	<u>\$ 2,433,543,372</u>

(Continued)

Bank SinoPac

**Statements of Comprehensive Income
For the Nine Months Ended September 30, 2024 and 2023
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	For the Nine Months Ended September 30	
	2024	2023
Interest income	\$ 56,159,366	\$ 50,561,358
Interest expenses	<u>(38,547,722)</u>	<u>(33,202,605)</u>
Net interest revenue	17,611,644	17,358,753
Net revenues other than interest	<u>17,414,020</u>	<u>12,760,085</u>
Net revenue	35,025,664	30,118,838
Bad debts expense, commitment and guarantee liability provision	(2,168,844)	(1,147,886)
Operating expenses	<u>(15,495,438)</u>	<u>(13,789,743)</u>
Profit from continuing operations before tax	17,361,382	15,181,209
Income tax expense	<u>(2,980,518)</u>	<u>(2,487,801)</u>
Net income	14,380,864	12,693,408
Other comprehensive income	<u>5,133,715</u>	<u>3,103,244</u>
Total comprehensive income	<u>\$ 19,514,579</u>	<u>\$ 15,796,652</u>
Basic earnings per share	<u>\$1.39</u>	<u>\$1.25</u>

(Concluded)

TABLE 15-2**SinoPac Securities**

Balance Sheets
September 30, 2024 and 2023
(In Thousands of New Taiwan Dollars)

Assets	September 30	
	2024	2023
Current assets	\$ 129,455,831	\$ 83,204,590
Current financial assets at fair value through profit or loss	74,020,490	54,998,368
Current financial assets at fair value through other comprehensive income	9,093,956	10,170,078
Non-current financial assets at fair value through profit or loss	124,616	133,574
Non-current financial assets at fair value through other comprehensive income	2,604,096	4,746,231
Investments accounted for using equity method	9,647,186	8,847,601
Property and equipment, net	2,010,533	2,003,690
Right-of-use assets, net	436,163	543,919
Investment property, net	284,717	275,030
Intangible assets	332,062	380,621
Deferred income tax assets	396,850	385,501
Other non-current assets	<u>1,640,357</u>	<u>1,535,828</u>
Total assets	<u>\$ 230,046,857</u>	<u>\$ 167,225,031</u>
Liabilities		
Current liabilities	\$ 184,243,484	\$ 128,173,904
Current lease liabilities	151,642	177,090
Bonds payable	3,000,000	5,000,000
Long-term borrowings	4,997,466	-
Deferred income tax liabilities	145,006	152,919
Non-current lease liabilities	290,453	372,487
Other non-current liabilities	<u>334,557</u>	<u>421,989</u>
Total liabilities	<u>193,162,608</u>	<u>134,298,389</u>
Equity		
Capital stock	16,647,986	16,212,238
Capital surplus	522,986	522,986
Retained earnings	18,075,735	15,596,484
Other equity	<u>1,637,542</u>	<u>594,934</u>
Total equity	<u>36,884,249</u>	<u>32,926,642</u>
Total liabilities and equity	<u>\$ 230,046,857</u>	<u>\$ 167,225,031</u>

(Continued)

SinoPac Securities

Statements of Comprehensive Income
For the Nine Months Ended September 30, 2024 and 2023
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Nine Months Ended September 30	
	2024	2023
Revenue	\$ 13,693,986	\$ 9,405,634
Commission fees	(617,560)	(417,563)
Employee benefits expense	(4,598,329)	(3,629,437)
Share of profit of subsidiaries for using equity method	940,757	758,238
Other operating expenditure	(2,918,359)	(1,858,891)
Other operating expense	(1,787,160)	(1,533,188)
Other gains and losses	313,766	245,781
Profit from continuing operations before tax	5,027,101	2,970,574
Income tax (expense) benefit	(498,677)	85,916
Net income	4,528,424	3,056,490
Other comprehensive income	803,683	1,049,169
Total comprehensive income	\$ 5,332,107	\$ 4,105,659
Basic earnings per share	<u>\$2.72</u>	<u>\$1.84</u>

(Concluded)

TABLE 15-3**SinoPac Venture Capital Corporation****Balance Sheets**
September 30, 2024 and 2023
(In Thousands of New Taiwan Dollars)

Assets	September 30	
	2024	2023
Current assets	\$ 432,587	\$ 397,923
Financial assets at fair value through profit or loss	2,192,509	1,826,322
Financial assets at fair value through other comprehensive income	397,538	476,027
Investments accounted for using equity method	79,329	92,025
Property and equipment, net	156	197
Right-of-use assets, net	9,484	12,385
Deferred income tax assets	70,907	101,090
Other non-current assets	<u>389</u>	<u>382</u>
Total assets	<u>\$ 3,182,899</u>	<u>\$ 2,906,351</u>
 Liabilities		
Payables	\$ 14,516	\$ 13,538
Current income tax liabilities	2,193	6,809
Deferred income tax liabilities	6,455	9,019
Provisions	1,586	1,826
Lease liabilities	<u>9,543</u>	<u>12,411</u>
Total liabilities	<u>34,293</u>	<u>43,603</u>
 Equity		
Capital stock	2,500,000	2,500,000
Capital surplus	2,105	2,105
Retained earnings	717,689	456,108
Other equity	<u>(71,188)</u>	<u>(95,465)</u>
Total equity	<u>3,148,606</u>	<u>2,862,748</u>
Total liabilities and equity	<u>\$ 3,182,899</u>	<u>\$ 2,906,351</u>

(Continued)

SinoPac Venture Capital Corporation

Statements of Comprehensive Income
For the Nine Months Ended September 30, 2024 and 2023
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Nine Months Ended September 30	
	2024	2023
Operating revenues	\$ 360,630	\$ 133,952
Operating expenses	<u>(24,377)</u>	<u>(23,645)</u>
Operating income	336,253	110,307
Nonoperating income and expenses	<u>3,571</u>	<u>2,566</u>
Profit from continuing operations before tax	339,824	112,873
Income tax expense	<u>(1,841)</u>	<u>(5,161)</u>
Net income loss	337,983	107,712
Other comprehensive income	<u>27,023</u>	<u>78,181</u>
Total comprehensive income	<u>\$ 365,006</u>	<u>\$ 185,893</u>
Basic earnings per share	<u>\$1.35</u>	<u>\$0.43</u>

(Concluded)

TABLE 15-4**SinoPac Securities Investment Trust Co., Ltd.**

Balance Sheets
September 30, 2024 and 2023
(In Thousands of New Taiwan Dollars)

Assets	September 30	
	2024	2023
Current assets	\$ 660,473	\$ 658,518
Financial assets at fair value through profit or loss	10,005	8,803
Investments accounted for using equity method	1,040,413	1,038,651
Property and equipment, net	2,026	1,013
Right-of-use assets, net	42,004	5,856
Intangible assets	365	-
Deferred income tax assets	2,075	6,677
Other non-current assets	119,847	122,372
Total assets	\$ 1,877,208	\$ 1,841,890
Liabilities		
Current liabilities	\$ 48,165	\$ 30,396
Lease liabilities	42,337	5,965
Deferred income tax liabilities	117,341	122,536
Other non-current liabilities	6,536	4,387
Total liabilities	214,379	163,284
Equity		
Capital stock	1,420,000	1,420,000
Capital surplus	1,963	1,963
Retained earnings	244,363	279,826
Other equity	(3,497)	(23,183)
Total equity	1,662,829	1,678,606
Total liabilities and equity	\$ 1,877,208	\$ 1,841,890

(Continued)

SinoPac Securities Investment Trust Co., Ltd.

**Statements of Comprehensive Income
For the Nine Months Ended September 30, 2024 and 2023
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	For the Nine Months Ended September 30	
	2024	2023
Operating revenues	\$ 263,108	\$ 205,610
Operating expenses	<u>(243,204)</u>	<u>(193,253)</u>
Operating income	19,904	12,357
Share of profit of associates for using equity method	60,364	123,515
Nonoperating income and expenses, net	<u>8,838</u>	<u>7,947</u>
Profit from continuing operations before tax	89,106	143,819
Income tax expense	<u>(19,111)</u>	<u>(28,688)</u>
Net income	69,995	115,131
Other comprehensive income	<u>33,757</u>	<u>311</u>
 Total comprehensive income	 <u>\$ 103,752</u>	 <u>\$ 115,442</u>
 Basic earnings per share	 <u>\$0.49</u>	 <u>\$0.81</u>

(Concluded)

TABLE 15-5

SinoPac Leasing Corporation
Balance Sheets
September 30, 2024 and 2023
(In Thousands of New Taiwan Dollars)

Assets	September 30	
	2024	2023
Current assets	\$ 2,791,185	\$ 2,520,597
Investments accounted for using equity method	5,884,214	5,759,919
Property and equipment, net	283,968	245,626
Right-of-use assets, net	153,544	177,039
Investment property, net	5,631,658	5,682,629
Intangible assets	1,623	2,385
Deferred income tax assets	115,343	103,258
Other non-current assets	<u>1,664,916</u>	<u>1,053,365</u>
Total assets	<u>\$ 16,526,451</u>	<u>\$ 15,544,818</u>
 Liabilities		
Current liabilities	\$ 8,390,211	\$ 9,692,511
Lease liabilities - current	34,562	34,942
Current income tax liabilities	21,008	20,676
Long-term borrowings	2,250,000	-
Lease liabilities - non-current	494,764	517,119
Deferred income tax liabilities	189,558	187,739
Other non-current liabilities	<u>446,115</u>	<u>354,273</u>
Total liabilities	<u>11,826,218</u>	<u>10,807,260</u>
 Equity		
Capital stock	4,681,044	4,681,044
Capital surplus	3,668	3,668
Retained earnings	153,029	173,730
Other equity	<u>(137,508)</u>	<u>(120,884)</u>
Total equity	<u>4,700,233</u>	<u>4,737,558</u>
Total liabilities and equity	<u>\$ 16,526,451</u>	<u>\$ 15,544,818</u>

(Continued)

SinoPac Leasing Corporation

**Statements of Comprehensive Income
For the Nine Months Ended September 30, 2024 and 2023
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	For the Nine Months Ended September 30	
	2024	2023
Operating revenues	\$ 389,622	\$ 365,994
Operating costs	(289,473)	(267,340)
Provision of bad debts expenses	(37,783)	(21,674)
Operating expenses	<u>(178,115)</u>	<u>(163,141)</u>
Operating loss	(115,749)	(86,161)
Nonoperating income and expenses	<u>222,054</u>	<u>231,587</u>
Profit for continuing operations before tax	106,305	145,426
Income tax expense	<u>(18,989)</u>	<u>(28,996)</u>
Net income	87,316	116,430
Other comprehensive income	<u>153,888</u>	<u>142,325</u>
Total comprehensive income	<u>\$ 241,204</u>	<u>\$ 258,755</u>
Basic earnings per share	<u>\$0.19</u>	<u>\$0.25</u>

(Concluded)

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of Dollars, currency is New Taiwan Dollar unless otherwise stated)

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 September 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	\$ 904,176	a	\$ 443,046	\$ -	\$ -	\$ 443,046	\$ 123,191	49.00	\$ 60,364	\$ 1,040,413	\$ 107,453
Telexpress (Shanghai) Co., Ltd.	Management consultant	46,470	b	15,162	-	-	15,162	857	34.21	-	15,162	-
Yangzhou Brightman International Co., Led.	Panel thinning	642,810	b	73,782	-	-	73,782	-	11.69	-	73,782	-
CGK Zhongshan Co., Ltd.	Cover glass	253,250	b	12,663	-	-	12,663	(2,162)	3.52	-	12,663	-
CGK Shenzhen Co., Ltd.	Cover glass	20,382	b	1,021	-	-	1,021	(13,455)	3.52	-	1,021	-
StreetVoice International Ltd.	Design of software and service for computer system integration	103,381	b	1,747	-	-	1,747	23,340	2.64	-	1,747	-
Transound Electronics Co., Ltd.	Dynamic receiver, dynamic speaker, SMD, Array, MEMS ECM microphone, earphone module, earphone, headphone	234,852	b	45,871	-	-	45,871	8,185	4.58	-	45,871	-
SinoPac International Leasing Corp.	Leasing and financing of machinery equipment	1,767,867	a	1,767,867	-	-	1,767,867	9,044	100.00	9,044	2,162,949	-
Bank SinoPac (China) Ltd.	Commercial bank	10,252,555	a	10,252,555	-	-	10,252,555	324,864	100.00	324,158	10,882,731	-
SinoPac Financial Consulting (Shanghai) Ltd.	Business management consulting, investment consulting, business intelligence consulting	63,313	a	63,313	-	-	63,313	365	100.00	365	29,217	-

Accumulated Investment in Mainland China as of September 30, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Limit on Investment
\$ 12,677,027 (US\$ 350,617) (CNY 349,000)	\$ 12,677,027 (US\$ 350,617) (CNY 349,000)	\$ 131,052,753

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 reviewed by independent certified public accountants, except for SinoPac International Leasing Corp., Bank SinoPac (China) Ltd. and SinoPac Financial Consulting (Shanghai) Ltd. which were reviewed 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.