Bank SinoPac 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 Shareholder
Bank SinoPac

Introduction

We have reviewed the accompanying consolidated balance sheets of Bank SinoPac and its subsidiaries (collectively referred to as the Group) as of September 30, 2024 and 2023 and the related consolidated statements of comprehensive income for the three months ended September 30, 2024 and 2023, nine months ended September 30, 2024 and 2023, as well as 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 Public Banks, 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 of its consolidated financial performance for the three months ended September 30, 2024 and 2023, nine months ended September 30, 2024 and 2023, as well as 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 Public Banks, 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 8, 2024

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

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.

BANK SINOPAC AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2024 Amount	%	December 31, 2023 Amount	%	September 30, 2023 Amount	%
CASH AND CASH EQUIVALENTS, NET (Notes 4, 6 and 40)	$ 39,357,311	1	$ 25,400,393	1	$ 24,458,908	1
DUE FROM THE CENTRAL BANK AND CALL LOANS TO BANKS, NET (Notes 7 and 40)	188,248,065	7	184,050,320	7	174,154,417	7
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8 and 40)	69,515,463	3	80,541,922	3	92,246,460	4
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Notes 4, 9, 40 and 41)	353,105,254	13	358,339,845	14	326,568,040	13
INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST (Notes 4, 10 and 41)	319,054,299	12	303,546,679	12	302,058,548	12
SECURITIES PURCHASED UNDER RESELL AGREEMENTS (Notes 4, 11 and 40)	93,415,691	3	66,804,814	3	55,253,091	2
RECEIVABLES, NET (Notes 4, 12 and 40)	75,662,068	3	60,925,278	3	66,021,998	3
CURRENT INCOME TAX ASSETS (Notes 4, 29 and 40)	1,300,730	-	1,302,128	-	1,587,260	-
DISCOUNTS AND LOANS, NET (Notes 4, 5, 13, 40 and 41)	1,593,378,345	58	1,419,039,494	56	1,431,263,160	57
OTHER FINANCIAL ASSETS, NET (Notes 4 and 14)	10,338,899	-	4,657,337	-	5,158,639	-
PROPERTY AND EQUIPMENT, NET (Notes 4, 15, 17 and 40)	10,367,681	-	9,929,849	1	9,847,000	1
RIGHT-OF-USE ASSETS, NET (Notes 4, 16 and 40)	2,955,754	-	2,517,664	-	2,587,669	-
INVESTMENT PROPERTY, NET (Notes 4 and 17)	570,777	-	851,351	-	918,691	-
INTANGIBLE ASSETS, NET (Notes 4, 18 and 40)	1,901,897	-	1,910,050	-	1,838,018	-
DEFERRED INCOME TAX ASSETS (Notes 4 and 29)	1,733,916	-	1,708,747	-	1,459,926	-
OTHER ASSETS, NET (Notes 19 and 40)	9,128,637	-	9,856,615	-	7,999,097	-
TOTAL	$ 2,770,034,787	100	$ 2,531,382,486	100	$ 2,503,420,922	100
LIABILITIES AND EQUITY						
DEPOSITS FROM THE CENTRAL BANK AND BANKS (Notes 20 and 40)	$ 85,716,012	3	$ 115,708,086	5	$ 88,617,358	4
DUE TO THE CENTRAL BANK AND BANKS	-	-	2,760,676	-	-	-
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8 and 40)	32,644,976	1	42,122,925	2	47,258,804	2
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS (Notes 4, 8, 9, 10, 11 and 21)	65,113,675	3	26,173,587	1	35,067,434	1
PAYABLES (Notes 4, 22, 27, 36 and 40)	35,255,392	1	28,082,264	1	36,637,689	2
CURRENT INCOME TAX LIABILITIES (Notes 4, 29 and 40)	1,262,517	-	1,519,235	-	1,439,173	-
DEPOSITS AND REMITTANCES (Notes 23 and 40)	2,242,171,920	81	2,023,385,269	80	2,008,097,987	80
BANK DEBENTURES (Notes 4, 24 and 40)	53,784,355	2	56,832,276	2	58,252,126	2
OTHER FINANCIAL LIABILITIES (Note 25)	57,345,154	2	47,853,878	2	51,530,201	2
PROVISIONS (Notes 4, 26 and 27)	2,605,108	-	2,826,644	-	2,395,883	-
LEASE LIABILITIES (Notes 4, 16 and 40)	3,063,579	-	2,600,806	-	2,670,072	-
DEFERRED INCOME TAX LIABILITIES (Notes 4 and 29)	1,207,072	-	1,178,553	-	1,261,139	-
OTHER LIABILITIES (Notes 28 and 40)	5,544,937	-	7,506,646	-	6,435,359	-
Total liabilities	2,585,714,697	93	2,358,550,845	93	2,339,663,225	93
EQUITY						
Capital stock						
Common stock	103,781,984	4	96,992,508	4	96,992,508	4
Capital surplus	15,581,418	1	15,581,418	-	15,581,418	1
Retained earnings						
Legal reserve	43,184,385	1	38,042,985	2	38,042,985	1
Special reserve	6,289,589	-	11,031,085	-	11,031,085	-
Unappropriated earnings	20,663,553	1	17,138,000	1	13,785,570	1
Total retained earnings	70,137,527	2	66,212,070	3	62,859,640	2
Other equity	(5,180,839)	-	(5,954,355)	-	(11,675,869)	-
Total equity	184,320,090	7	172,831,641	7	163,757,697	7
TOTAL	$ 2,770,034,787	100	$ 2,531,382,486	100	$ 2,503,420,922	100

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

BANK SINOPAC 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	$ 20,330,032	167	$ 18,050,058	169	$ 57,968,388	161	$ 52,310,079	169
INTEREST EXPENSES	(13,843,503)	(114)	(12,294,443)	(115)	(40,355,658)	(112)	(34,917,194)	(113)
NET INTEREST REVENUE (Notes 4, 31 and 40)	6,486,529	53	5,755,615	54	17,612,730	49	17,392,885	56
NET REVENUES OTHER THAN INTEREST (Note 4)								
Service fee income, net (Notes 32 and 40)	2,275,927	19	1,878,880	17	7,925,095	22	5,728,606	19
Gains on financial assets and liabilities at fair value through profit or loss, net (Notes 33 and 40)	1,519,247	13	2,699,764	25	8,954,541	25	6,610,314	21
Realized gains on financial assets at fair value through other comprehensive income (Notes 34 and 40)	413,897	3	552,806	5	1,065,211	3	1,231,347	4
Gains arising from derecognition of financial assets measured at amortized cost	14,800	-	14,641	-	47,785	-	37,799	-
Foreign exchange gains (losses)	1,481,007	12	(226,073)	(2)	422,297	1	(285,326)	(1)
Reversal of impairment loss (impairment loss) on assets (Notes 9, 10, 14 and 19)	(59,855)	-	(43,247)	-	(76,156)	-	37,275	-
Net other revenue other than interest income (Notes 35 and 40)	26,108	-	74,717	1	110,405	-	141,575	1
Net revenues other than interest	5,671,131	47	4,951,488	46	18,449,178	51	13,501,590	44
NET REVENUE	12,157,660	100	10,707,103	100	36,061,908	100	30,894,475	100
BAD DEBTS EXPENSE, COMMITMENT AND GUARANTEE LIABILITY PROVISION (Notes 4, 5, 6, 7, 12, 13, 14 and 26)	(1,067,057)	(9)	(428,227)	(4)	(2,405,646)	(6)	(1,188,133)	(4)
OPERATING EXPENSES								
Employee benefits expenses (Notes 4, 27, 36 and 40)	(3,406,709)	(28)	(3,170,625)	(30)	(10,258,686)	(28)	(9,135,473)	(30)
Depreciation and amortization expense (Notes 4, 15, 16, 17, 18 and 37)	(446,217)	(4)	(430,088)	(4)	(1,331,336)	(4)	(1,262,567)	(4)
Other general and administrative expenses (Notes 38 and 40)	(1,684,560)	(14)	(1,381,128)	(13)	(4,594,665)	(13)	(4,046,760)	(13)
Total operating expenses	(5,537,486)	(46)	(4,981,841)	(47)	(16,184,687)	(45)	(14,444,800)	(47)
PROFIT FROM CONTINUING OPERATIONS BEFORE TAX	5,553,117	45	5,297,035	49	17,471,575	49	15,261,542	49
INCOME TAX EXPENSE (Notes 4 and 29)	(888,541)	(7)	(885,090)	(8)	(3,090,711)	(9)	(2,568,134)	(8)
NET INCOME	4,664,576	38	4,411,945	41	14,380,864	40	12,693,408	41

(Continued)

BANK SINOPAC 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	%
OTHER COMPREHENSIVE INCOME (Note 4)								
Items that will not be reclassified to profit or loss:								
Revaluation (losses) gains on investments in equity instruments measured at fair value through other comprehensive income (Note 30)	$ (679,101)	(6)	$ 529,517	5	$ 2,843,846	8	$ 3,794,628	12
Change in fair value of financial liability attributable to change in credit risk of liability (Notes 8 and 30)	(7,075)	-	17,508	-	7,814	-	17,010	-
Items that will not be reclassified to profit or loss	(686,176)	(6)	547,025	5	2,851,660	8	3,811,638	12
Items that will be reclassified to profit or loss:								
Exchange differences on translation of foreign operations (Note 30)	179,963	2	295,691	3	450,881	1	4,406	-
Gains (losses) from investments in debt instruments measured at fair value through other comprehensive income (Note 30)	4,289,147	35	(1,750,931)	(16)	1,943,816	5	(728,775)	(2)
Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Notes 29 and 30)	(32,168)	-	(16,350)	-	(112,642)	-	15,975	-
Items that will be reclassified to profit or loss	4,436,942	37	(1,471,590)	(13)	2,282,055	6	(708,394)	(2)
Other comprehensive income	3,750,766	31	(924,565)	(8)	5,133,715	14	3,103,244	10
TOTAL COMPREHENSIVE INCOME	$ 8,415,342	69	$ 3,487,380	33	$ 19,514,579	54	$ 15,796,652	51
EARNINGS PER SHARE (Note 39)								
Basic	$0.45		$0.43		$1.39		$1.25	

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

BANK SINOPAC AND SUBSIDIARIES

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

	Capital Stock (Note 30)	Capital Surplus (Notes 4 and 30)	Retained Earnings (Notes 9 and 30)				Other Equity (Notes 4, 9 and 30)				
	Common Stock		Legal Reserve	Special Reserve	Unappropriated Earnings	Total	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	Total	Total Equity
BALANCE AT JANUARY 1, 2023	$ 90,325,841	$ 12,147,640	$ 33,468,449	$ 357,169	$ 15,248,452	$ 49,074,070	$ (530,767)	$ (13,109,539)	$ (46,645)	$ (13,686,951)	$ 137,860,600
Appropriation and distribution of retained earnings generated in 2022											
Legal reserve	-	-	4,574,536	-	(4,574,536)	-	-	-	-	-	-
Special reserve	-	-	-	10,673,916	(10,673,916)	-	-	-	-	-	-
Net income for the nine months ended September 30, 2023	-	-	-	-	12,693,408	12,693,408	-	-	-	-	12,693,408
Other comprehensive income for the nine months ended September 30, 2023, net of income tax	-	-	-	-	-	-	3,525	3,082,709	17,010	3,103,244	3,103,244
Total comprehensive income for the nine months ended September 30, 2023	-	-	-	-	12,693,408	12,693,408	3,525	3,082,709	17,010	3,103,244	15,796,652
Issuance of common stock for cash	6,666,667	3,333,333	-	-	-	-	-	-	-	-	10,000,000
Share-based payments	-	100,445	-	-	-	-	-	-	-	-	100,445
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	1,092,162	1,092,162	-	(1,092,162)	-	(1,092,162)	-
BALANCE AT SEPTEMBER 30, 2023	$ 96,992,508	$ 15,581,418	$ 38,042,985	$ 11,031,085	$ 13,785,570	$ 62,859,640	$ (527,242)	$ (11,118,992)	$ (29,635)	$ (11,675,869)	$ 163,757,697
BALANCE AT JANUARY 1, 2024	$ 96,992,508	$ 15,581,418	$ 38,042,985	$ 11,031,085	$ 17,138,000	$ 66,212,070	$ (676,646)	$ (5,235,438)	$ (42,271)	$ (5,954,355)	$ 172,831,641
Appropriation and distribution of retained earnings generated in 2023											
Legal reserve	-	-	5,141,400	-	(5,141,400)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(4,741,496)	4,741,496	-	-	-	-	-	-
Cash dividends - common stock	-	-	-	-	(8,026,130)	(8,026,130)	-	-	-	-	(8,026,130)
Stock dividends - common stock	6,789,476	-	-	-	(6,789,476)	(6,789,476)	-	-	-	-	-
Net income for the nine months ended September 30, 2024	-	-	-	-	14,380,864	14,380,864	-	-	-	-	14,380,864
Other comprehensive income for the nine months ended September 30, 2024, net of income tax	-	-	-	-	-	-	360,705	4,765,196	7,814	5,133,715	5,133,715
Total comprehensive income for the nine months ended September 30, 2024	-	-	-	-	14,380,864	14,380,864	360,705	4,765,196	7,814	5,133,715	19,514,579
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	4,360,199	4,360,199	-	(4,360,199)	-	(4,360,199)	-
BALANCE AT SEPTEMBER 30, 2024	$ 103,781,984	$ 15,581,418	$ 43,184,385	$ 6,289,589	$ 20,663,553	$ 70,137,527	$ (315,941)	$ (4,830,441)	$ (34,457)	$ (5,180,839)	$ 184,320,090

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

BANK SINOPAC 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	$ 17,471,575	$ 15,261,542
Adjustments to reconcile profit:		
Depreciation expenses	1,077,476	1,037,103
Amortization expenses	253,860	225,464
Provision for bad debt expense	3,014,645	1,577,098
Interest expenses	40,355,658	34,917,194
Net gain arising from derecognition of financial assets measured at amortized cost	(47,785)	(37,799)
Interest income	(57,968,388)	(52,310,079)
Dividend income	(547,258)	(1,221,599)
Net change in provisions for guarantee liabilities	7,883	(12,384)
Net change in other provisions	(114,293)	22,044
Share-based payments	-	100,445
Losses on disposal and retirement of property and equipment	7,172	6,292
Gains on disposal of investment properties	-	(50,096)
Losses on disposal of intangible assets	237	-
Impairment loss (reversal of impairment loss) on financial assets	74,064	(37,275)
Impairment loss on non-financial assets	2,092	-
Losses on sale of non-performing loan	-	5,382
Other adjustments	(918)	344
Changes in operating assets and liabilities		
(Increase) decrease in due from the Central Bank and call loans to banks	(2,500,492)	7,364,224
Decrease (increase) in financial assets at fair value through profit or loss	11,026,459	(38,959,266)
Decrease (increase) in financial assets at fair value through other comprehensive income	10,000,982	(4,383,835)
Increase in investments in debt instruments at amortized cost	(15,464,390)	(76,561,318)
(Increase) decrease in securities purchased under resell agreements	(784,248)	1,172,615
Increase in receivables	(13,118,591)	(7,398,902)
Increase in discounts and loans	(177,337,795)	(110,763,435)
Increase in other financial assets	(5,738,298)	(774,117)
Decrease in other assets	673,360	1,127,178
(Decrease) increase in deposits from the Central Bank and banks	(29,992,074)	16,140,141
(Decrease) increase in financial liabilities at fair value through profit or loss	(9,470,135)	16,400,167
Increase in securities sold under repurchase agreements	38,940,088	6,756,456
Increase in payables	5,683,451	6,460,851
Increase in deposits and remittances	218,786,651	2,871,929
Increase in other financial liabilities	9,491,276	15,257,548

(Continued)

BANK SINOPAC 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	$ (127,820)	$ (137,604)
(Decrease) increase in other liabilities	(1,961,709)	3,949,581
Net cash generated from (used in) operations	41,692,735	(161,994,111)
Interest received	58,066,027	51,818,004
Dividends received	551,132	1,170,913
Interest paid	(40,706,884)	(32,595,162)
Income tax paid	(3,402,797)	(2,684,425)
Net cash generated from (used in) operating activities	56,200,213	(144,284,781)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(778,715)	(632,628)
Proceeds from disposal of property and equipment	982	161
Acquisition of intangible assets	(106,110)	(131,059)
Acquisition of right-of-use assets	(1,651)	(1,384)
Acquisition of investment properties	(3,652)	(3,484)
Disposal of investment properties	-	160,080
Net cash used in investing activities	(889,146)	(608,314)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in due to the Central Bank and banks	(2,760,676)	-
Bank debentures issued	1,000,000	2,000,000
Repayment of bank debentures payable	(4,050,000)	-
Repayments of lease liabilities	(541,775)	(517,458)
Cash dividends paid	(8,026,130)	-
Issuance of common stock for cash	-	10,000,000
Net cash (used in) generated from financing activities	(14,378,581)	11,482,542
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	549,434	134,963
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	41,481,920	(133,275,590)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	201,723,139	308,060,588
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 243,205,059	$ 174,784,998

(Continued)

BANK SINOPAC AND SUBSIDIARIES

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

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

	September 30	
	2024	2023
Cash and cash equivalents in consolidated balance sheets	$ 39,357,311	$ 24,458,908
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	92,618,951	55,249,410
Cash and cash equivalents at the end of the period	$ 243,205,059	$ 174,784,998

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

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. ORGANIZATION

August 8, 1991	Bank SinoPac ("the Bank") obtained government approval to incorporate.
January 28, 1992	The Bank started operations.
May 9, 2002	The Bank swap shares with SinoPac Securities Corporation and SinoPac Securities Co., Ltd. (SPS) to establish SinoPac Financial Holdings Company Limited (SPH), a financial holding company, resulting in the Bank becoming an unlisted wholly owned subsidiary of SPH, the ultimate parent company of SPH.
December 26, 2005	SPH finished the merger with International Bank of Taipei Co., Ltd. (IBT), through a 100% share swap.
May 8, 2006	The board of directors of IBT resolved to transfer credit card business and related assets and liabilities to SinoPac Card Services Co., Ltd. (SinoPac Card). The transaction has been approved by the authorities on June 22, 2006 and the assets have been transferred at the book value of $5,171,080 on August 4, 2006.
November 13, 2006	The preliminary effective date of the share swap and merger. The Bank acquired the assets and liabilities of IBT through a share swap at ratio of 1.175 shares of the Bank to swap for 1 share of IBT.
June 1, 2009	The Bank's cash merger with SinoPac Card took effect, with this merger amounting to $3,873,675. Under this merger, the Bank was the surviving entity.
November 1, 2015	The Bank assumed all of the assets and liabilities of the Ho Chi Minh City Branch of Far East National Bank and renamed this branch Bank SinoPac, Ho Chi Minh City Branch. The transaction price was US$28,540 thousand.
May 1, 2019	SinoPac Call Center Co., Ltd. (SinoPac Call Center) which is a wholly-owned subsidiary of SPH was cash merged by the Bank. Under this merger, SinoPac Call Center was the dissolved company and the Bank was the surviving entity, assuming all business, assets, liabilities and all rights and obligations.
August 1, 2019	Due to permission, the Bank may also operate within the insurance industry. Then the board of directors of the Bank applied for the qualification to operate as an insurance agency and for the rights to merge SinoPac Life Insurance Agent Co., Ltd. and SinoPac Property Insurance Agent Co., Ltd., which are both 100% shareholding subsidiaries of the Bank. The Bank is the surviving company, and the two subsidiaries were liquidated.

The Bank's ultimate parent and controller is SinoPac Holdings, which holds 100% common stock of the Bank.

The functional currency of the Bank is the New Taiwan dollar. The consolidated financial statements of the Bank and its subsidiaries ("the Group") are presented in New Taiwan dollars.

For the information on consolidated entities, please refer to Note 4.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Bank's board of directors on November 8, 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
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 1)

Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

Amendments to IAS 21 "Lack of Exchangeability"

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

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
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

(Continued)

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - 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

(Concluded)

Note 1: 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 or after the occurrence of a contingent event), the contractual cash flows are full payments for principal and interest of the principal amount outstanding; and

- In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

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

- The entity having no practical ability to withdraw, stop or cancel the payment instruction;

- The entity having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and

- The settlement risk associated with the electronic payment system being insignificant.

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

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

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as "other" only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Issuers, the guidelines issued by the authority, and IAS 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.

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

Since the operating cycle in the Banking industry cannot be reasonably identified, the accounts included in the Group's consolidated financial statements were not classified as current or noncurrent. Nevertheless, accounts were properly categorized in accordance with the nature of each account and sequenced by their liquidity. Please refer to Note 44 for the maturity analysis of assets and liabilities.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Bank and the entities controlled by the Bank (i.e., its subsidiaries). Control is achieved when the Bank 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 the subsidiaries to bring their accounting policies into line with those used by the Bank.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation; for related information please refer to Table 2.

The consolidated entities were as follows:

			% of Ownership			
Investor	**Investee**	**Main Business**	**September 30, 2024**	**December 31, 2023**	**September 30, 2023**	**Remark**
Bank SinoPac	Bank SinoPac (China) Ltd.	Commercial bank	100	100	100	
	SinoPac Insurance Brokers Ltd.	Insurance brokerage business	100	100	100	

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 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 balance sheets, due from the Central Bank and call loans to 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.

<u>Financial assets</u>

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 43.

   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, 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), the Bank 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 Bank 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, 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.

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 43.

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 Banking is provided internally on that basis; or

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

For a financial liability designated as at FVTPL, the amount of changes in fair value attributable to changes in the credit risk of the liability is presented in other comprehensive income and will not be subsequently reclassified to profit or loss. The remaining amount of changes in the fair value of that liability which 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.

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.

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, 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 methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates 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.

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.

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.

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. 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

The Bank 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 Bank’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 SPH 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 consolidated 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.

The Bank offers rewards to customers under loyalty program, which provide customers with specific rights. The Bank 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. The Bank recognizes revenue only when rewards are redeemed or expired.

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 Bank 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.

d. Linked-tax system

SPH 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 SPH with its qualified subsidiaries are adjusted on SPH; 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 profit abilities, 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 44(3). 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 and 44(c).

6. CASH AND CASH EQUIVALENTS, NET

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand	$ 6,487,123	$ 6,594,067	$ 6,505,242
Due from other banks	31,575,734	14,757,451	13,287,273
Notes and checks for clearing	1,017,555	3,788,256	3,944,360
Excess futures margin	277,515	261,605	724,705
	39,357,927	25,401,379	24,461,580
Less: Allowance for credit losses	(616)	(986)	(2,672)
Net amount	$ 39,357,311	$ 25,400,393	$ 24,458,908

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.

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	5,532,458	6,450,205	5,070,183
	188,249,234	184,050,369	174,154,688
Less: Allowance for credit losses	(1,169)	(49)	(271)
Net amount	$ 188,248,065	$ 184,050,320	$ 174,154,417

Under a directive issued by the Central Bank of the ROC, New Taiwan dollar (NTD) - denominated deposit reserves are determined monthly at prescribed rates based on average balances of customers' NTD-denominated deposits. Deposit reserve - demand account 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 the People's Bank of China, Bank SinoPac (China) showed deposit reserves in proportion on the basis of deposit account balances at the end of the months.

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			
Government bonds	$ 11,872,172	$ 19,256,385	$ 17,611,626
Commercial paper	9,291,450	4,462,111	6,068,960
Corporate bonds	8,207,337	7,873,733	6,803,062
Bank debentures	5,457,122	4,236,182	1,796,805
Certificates of deposits	4,261,795	7,049,421	3,486,013
Stocks	207,757	352,132	185,743
Currency swap contracts	19,338,331	28,435,115	39,153,229
Interest rate swap contracts	7,873,197	6,749,690	11,982,075
Forward exchange contracts	951,842	450,633	1,107,058
Option contracts	312,538	248,572	133,363
Others	509,632	168,112	123,900
	68,283,173	79,282,086	88,451,834
Financial assets designated at fair value through profit or loss			
Corporate bonds	1,232,290	1,259,836	3,794,626
	1,232,290	1,259,836	3,794,626
	$ 69,515,463	$ 80,541,922	$ 92,246,460

(Continued)

	September 30, 2024	December 31, 2023	September 30, 2023
Held-for-trading financial liabilities			
Currency swap contracts	$ 21,625,250	$ 31,668,246	$ 32,945,800
Interest rate swap contracts	5,605,047	5,044,859	8,614,462
Option contracts	2,029,129	2,074,399	2,895,589
Forward exchange contracts	972,740	1,309,228	572,502
Others	419,013	153,133	285,670
	30,651,179	40,249,865	45,314,023
Financial liabilities designated at fair value through profit or loss			
Bank debentures	1,993,797	1,873,060	1,944,781
	1,993,797	1,873,060	1,944,781
Net amount	$ 32,644,976	$ 42,122,925	$ 47,258,804

(Concluded)

a. The Group's financial assets designated as at fair value through profit or loss originally maintained the business model by cash flows derived from contracts and the sales of financial assets and are designated to hedge against the interest rate risk; the financial liabilities at fair value through profit or loss are specified for eliminating inconsistencies in accounting recognition.

b. As of September 30, 2024 the par value of financial assets at fair value through profit or loss under repurchase agreements were $1,139,627. (December 31, 2023 and September 30, 2023: None)

c. Information on financial liabilities designated at fair value through profit or loss were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Difference between carrying amount and the amount due on maturity			
Fair value	$ 1,993,797	$ 1,873,060	$ 1,944,781
Amount due on maturity	(2,025,830)	(1,883,244)	(1,977,310)
	$ (32,033)	$ (10,184)	$ (32,529)

	Changes in Fair Value Attributable to Changes in Credit Risk
Change in amount during the period	
For the three months ended September 30, 2024	$ (7,075)
For the three months ended September 30, 2023	$ 17,508
For the nine months ended September 30, 2024	$ 7,814
For the nine months ended September 30, 2023	$ 17,010
Accumulated amount of change	
As of September 30, 2024	$ (34,457)
As of December 31, 2023	$ (42,271)
As of September 30, 2023	$ (29,635)

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, the Bank issued unsecured senior bank debentures amounting to US$45,000 thousand with a 30-year maturity and zero coupon issued and an implicit internal of return of 4.5%. In accordance with the terms of the bank debentures, the Bank 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) on September 30, 2024, December 31, 2023 and September 30, 2023 were as follows:

	Contract Amount		
	September 30, 2024	**December 31, 2023**	**September 30, 2023**
Currency swap contracts	$ 3,617,951,701	$ 3,004,926,820	$ 3,284,248,971
Interest rate swap contracts	677,223,933	710,705,622	689,069,980
Forward exchange contracts	164,633,102	123,855,782	117,845,858
Option contracts	70,013,688	62,095,386	49,582,361
Futures contracts	16,968,379	733,714	3,229,263
Cross-currency swap contracts	10,662,437	7,154,519	4,245,141
Assets swap contracts	6,467,703	6,456,847	6,270,223
Equity-linked swap contracts	3,092,531	1,213,518	1,715,226

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	$ 10,668,792	$ 19,208,219	$ 19,428,969
Debt instruments at fair value through other comprehensive income	342,436,462	339,131,626	307,139,071
	$ 353,105,254	$ 358,339,845	$ 326,568,040

a. Equity instruments at fair value through other comprehensive income

	September 30, 2024	**December 31, 2023**	**September 30, 2023**
Stock	$ 10,517,075	$ 17,670,429	$ 17,402,525
Real estate investment trust beneficiary securities	151,717	1,537,790	2,026,444
	$ 10,668,792	$ 19,208,219	$ 19,428,969

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 management the risk of investment position, the Group sold the stocks at fair value of $13,253,596 and $8,838,291 and the disposal gain or loss were gain of $4,360,199 and $1,090,665, respectively. In addition, in the first quarter of 2023, due to the completion of liquidation by the investment company, a refund of $5,292 was made and the disposal gain was $1,497. The above gain or loss were transferred from other equity to retained earnings.

b. Debt instrument at fair value through other comprehensive income

	September 30, 2024	December 31, 2023	September 30, 2023
Bank debentures	$ 94,099,977	$ 86,187,464	$ 87,238,645
Certificates of deposits	89,258,054	111,944,303	85,957,765
Corporate bonds	52,302,291	44,705,470	39,584,098
Government bonds	44,380,156	32,039,499	26,290,453
Commercial paper	42,330,412	47,326,356	44,622,782
Asset-backed securities	14,469,791	14,489,325	14,347,073
Others	5,595,781	2,439,209	9,098,255
	$ 342,436,462	$ 339,131,626	$ 307,139,071

1) Please refer to Note 41 for information relating to debt instrument at fair value through other comprehensive income pledged as security.

2) Loss allowance of debt instruments at fair value through other comprehensive income were $61,077, $39,066 and $36,523 on September 30, 2024, December 31, 2023 and September 30, 2023, respectively. Credit risk management and information of impairment valuation of debt instruments at FVTOCI are shown in Note 44.

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 $28,121,384, $3,842,936 and $6,496,386, 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

(Continued)

	September 30, 2024	December 31, 2023	September 30, 2023
Corporate bonds	$ 27,967,580	$ 23,796,228	$ 23,387,929
Others	3,167,080	2,511,944	2,743,732
	319,079,699	303,570,486	302,082,873
Less: Loss allowance	(25,400)	(23,807)	(24,325)
Net amount	$ 319,054,299	$ 303,546,679	$ 302,058,548

(Concluded)

a. Please refer to Note 41 for information relating to investments in debt instruments at amortized cost pledged as security.

b. Credit risk management and information of impairment valuation of investments in debt instruments at amortized cost are shown in Note 44.

c. As of September 30, 2024, December 31, 2023 and September 30, 2023, the par value of investments 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	$ 43,774,613	$ 19,827,746	$ 25,194,325
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	4,514,463	1,657,002	2,271,280
Bank debentures	2,187,089	401,782	283,626
	$ 93,415,691	$ 66,804,814	$ 55,253,091
Agreed-upon resell amount	$ 93,686,469	$ 67,023,429	$ 55,449,727
Par value	$ 99,934,999	$ 70,717,329	$ 59,525,907
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 $30,338,246, $24,081,839 and $30,276,195, respectively.

12. RECEIVABLES, NET

	September 30, 2024	December 31, 2023	September 30, 2023
Credit card receivable	$ 21,731,040	$ 20,807,965	$ 20,491,621
Accounts and notes receivables	18,138,787	1,670,783	5,640,088
Accounts receivable - factoring	9,200,413	13,566,034	14,637,593
Interest and revenue receivables	9,129,398	9,520,385	8,460,069
Accounts receivable - forfaiting	8,275,105	8,489,489	7,863,965
Acceptances receivable	7,747,282	5,904,300	7,712,532
Trust administration fee revenue receivable	1,167,021	937,370	970,272
Others	818,993	769,869	1,000,253
	76,208,039	61,666,195	66,776,393
Less: Allowance for credit losses	(545,971)	(740,917)	(754,395)
Net amount	$ 75,662,068	$ 60,925,278	$ 66,021,998

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	$ 740,917	$ 696,546
Provision	110,937	183,340
Write-off	(318,216)	(132,690)
Effect of exchange rate changes	12,333	7,199
Balance, September 30	$ 545,971	$ 754,395

Please refer to Note 44 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	159,934,349	133,567,859	153,260,502
Secured short-term loans	101,182,543	89,852,993	94,678,022
Medium-term loans	411,029,924	350,898,327	348,853,228
Secured medium-term loans	245,905,503	208,658,883	209,957,638
Long-term loans	23,083,641	17,874,875	17,427,630

(Continued)

	September 30, 2024	December 31, 2023	September 30, 2023
Secured long-term loans	$ 669,410,006	$ 633,526,809	$ 620,967,436
Non-performing loans transferred from loans	1,529,913	941,044	877,663
	1,615,034,053	1,438,554,310	1,450,229,129
Less: Allowance for credit losses	(21,438,085)	(19,256,161)	(18,677,787)
Premium or discount on discounts and loans	(217,623)	(258,655)	(288,182)
Net amount	$ 1,593,378,345	$ 1,419,039,494	$ 1,431,263,160

(Concluded)

a. Please refer to Note 44 for the analysis of impairment loss on discounts and loans and Note 41 for information relating to 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 on 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	$ 19,256,161	$ 17,594,373
Provision	2,896,864	1,394,605
Write-off	(820,379)	(428,301)
Effect of exchange rate changes	105,439	117,110
Balance, September 30	$ 21,438,085	$ 18,677,787

The Group received payments for loans previously written-off $313,339 and $276,684 for the nine months ended September 30, 2024 and 2023, respectively, which were recognized as deduction of provision expenses.

14. OTHER FINANCIAL ASSETS, NET

	September 30, 2024	December 31, 2023	September 30, 2023
Bank deposits not belonging to cash and cash equivalent	$ 9,041,760	$ 2,815,059	$ 2,866,149
Purchase of the PEM Group's instruments	3,761,105	4,187,286	4,770,604
Others	48,138	43,371	44,350
	12,851,003	7,045,716	7,681,103
Less: Allowance for credit losses	(3,839)	(1,998)	(1,792)
Accumulated impairment	(2,508,265)	(2,386,381)	(2,520,672)
Net amount	$ 10,338,899	$ 4,657,337	$ 5,158,639

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 Bank 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, the Bank bought back the products at the price of the initial payment net of the distribution and redemption costs. On December 24, 2010, the Bank'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 the Bank 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. The Bank has reserve of impairment loss of $51,597 and has reversal of impairment loss of $32,929 for PEM Group for the nine months ended September 30, 2024 and 2023.

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	$ 1,998	$ 1,577
Provision	5,142	3,215
Write-off	(3,298)	(3,001)
Effect of exchange rate changes	(3)	1
Balance, September 30	$ 3,839	$ 1,792

The Group received payments for loans previously written-off $46,744 and $3,602 for the nine months ended September 30, 2024 and 2023, respectively, which were recognized as deduction of provision expenses.

15. PROPERTY AND EQUIPMENT, NET

The movements of property and equipment for the nine months ended September 30, 2024 and 2023 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 Improvements	Prepayments for Equipment and Construction in Progress	Total
Cost								
Balance, January 1	$ 5,639,933	$ 6,204,293	$ 2,827,456	$ 1,180	$ 1,669,397	$ 1,502,043	$ 305,481	$ 18,149,783
Addition	-	45,932	152,018	-	100,611	23,029	457,125	778,715
Deduction	-	(250,587)	(88,148)	-	(18,262)	(10,673)	-	(367,670)
Reclassifications	207,311	196,116	15,259	-	33,923	23,216	(247,670)	228,155
Effect of exchange rate changes	-	16,705	10,809	42	1,412	3,353	943	33,264
Balance, September 30	5,847,244	6,212,459	2,917,394	1,222	1,787,081	1,540,968	515,879	18,822,247

(Continued)

	For the Nine Months Ended September 30, 2024							
	Land and Land Improvements	Buildings	Machinery and Computer Equipment	Transportation Equipment	Other Equipment	Leasehold Improvements	Prepayments for Equipment and Construction in Progress	Total
Accumulated depreciation								
Balance, January 1	$ 107	$ 3,790,922	$ 1,914,120	$ 1,180	$ 1,248,535	$ 1,265,070	$ -	$ 8,219,934
Depreciation	18	118,043	241,114	-	82,185	53,403	-	494,763
Deduction	-	(248,268)	(84,707)	-	(17,680)	(8,861)	-	(359,516)
Reclassifications	-	83,976	110	-	(39)	-	-	84,047
Effect of exchange rate changes	-	4,011	8,254	42	1,033	1,998	-	15,338
Balance, September 30	125	3,748,684	2,078,891	1,222	1,314,034	1,311,610	-	8,454,566
Net amount								
Balance, September 30	$ 5,847,119	$ 2,463,775	$ 838,503	$ -	$ 473,047	$ 229,358	$ 515,879	$ 10,367,681

(Concluded)

	For the Nine Months Ended September 30, 2023							
	Land and Land Improvements	Buildings	Machinery and Computer Equipment	Transportation Equipment	Other Equipment	Leasehold Improvements	Prepayments for Equipment and Construction in Progress	Total
Cost								
Balance, January 1	$ 5,604,823	$ 6,068,228	$ 2,626,585	$ 1,181	$ 1,640,681	$ 1,476,041	$ 311,594	$ 17,729,133
Addition	-	76,403	222,243	-	56,509	28,512	248,961	632,628
Deduction	-	(36,698)	(85,766)	-	(41,148)	(40,377)	-	(203,989)
Reclassifications	(10,451)	54,242	42,606	-	2,575	14,316	(285,763)	(182,475)
Effect of exchange rate changes	-	33	9,178	55	1,672	3,204	1	14,143
Balance, September 30	5,594,372	6,162,208	2,814,846	1,236	1,660,289	1,481,696	274,793	17,989,440
Accumulated depreciation								
Balance, January 1	84	3,653,641	1,723,320	1,181	1,201,978	1,261,843	-	7,842,047
Depreciation	18	123,212	237,291	-	77,778	45,430	-	483,729
Deduction	-	(36,565)	(80,476)	-	(40,201)	(40,294)	-	(197,536)
Reclassifications	-	2,528	-	-	-	-	-	2,528
Effect of exchange rate changes	-	38	7,790	55	1,184	2,605	-	11,672
Balance, September 30	102	3,742,854	1,887,925	1,236	1,240,739	1,269,584	-	8,142,440
Net amount								
Balance, September 30	$ 5,594,270	$ 2,419,354	$ 926,921	$ -	$ 419,550	$ 212,112	$ 274,793	$ 9,847,000

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

Items	Years
Land improvements	8-30 years
Buildings	2-60 years
Machinery and computer equipment	2-15 years
Transportation equipment	5 years
Other equipment	3-15 years
Leasehold improvements	1.58-15 years

The amounts of other equipment rented out as of September 30, 2024, December 31, 2023 and September 30, 2023 were $847, $969 and $1,022.

16. LEASE ARRANGEMENTS

a. Right-of-use assets, net

	September 30, 2024	December 31, 2023	September 30, 2023
Carrying amount			
Land	$ 295	$ 144	$ 165
Buildings	2,847,152	2,390,479	2,456,440
Machinery and computer equipment	51,180	76,387	84,909
Transportation equipment	28,198	24,841	22,928
Other equipment	1,989	1,552	1,816
Decommissioning restoration costs	26,940	24,261	21,411
	$ 2,955,754	$ 2,517,664	$ 2,587,669

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Additions to right-of-use assets	$ 281,190	$ 197,314	$1,015,108	$ 498,451
Depreciation charge for right-of-use assets				
Land	$ 40	$ 21	$ 83	$ 72
Buildings	181,851	172,102	533,903	503,257
Machinery and computer equipment	8,427	8,425	25,280	25,263
Transportation equipment	3,625	3,138	10,524	9,343
Other equipment	244	246	739	737
Decommissioning restoration costs	2,118	2,296	6,254	6,213
	$ 196,305	$ 186,228	$ 576,783	$ 544,885

b. Lease liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
Carrying amount	$ 3,063,579	$ 2,600,806	$ 2,670,072

Range of discount rates for lease liabilities were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Land	1.6511%-4.7390%	1.6511%-2.1233%	1.6511%-2.1233%
Buildings	0.4376%-5.1952%	0.1848%-5.1952%	0.1848%-5.1952%
Machinery and computer equipment	0.5754%-2.3588%	0.5754%-2.3588%	0.5754%-2.3588%
Transportation equipment	1.0399%-5.5600%	0.3804%-5.5000%	0.3804%-5.5000%
Other equipment	0.5754%-4.3787%	0.4416%-4.3787%	0.4416%-4.3787%

c. Material lease-in activities and terms

The Group leases certain buildings for use as business locations, offices and employee's dormitories with lease terms of 1 year to 20.1 years. The lease contract for major buildings located in Taiwan for use as offices and branches specifies that lease payments will be adjusted 1% every three years. The lease contract for major buildings located in overseas branches stipulated fixed or regularly adjusted proportionally lease payments. 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	$ 3,498	$ 4,098	$ 10,659	$ 12,243
Expenses relating to low-value asset leases	$ 11,551	$ 10,349	$ 35,058	$ 31,102
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ 1,704	$ 1,546	$ 4,824	$ 4,202
Total cash outflow for leases	$ (215,801)	$ (204,092)	$ (647,032)	$ (614,951)

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.

The leasing commitment of the Group commencing after September 30, 2024, amounts to NT$91,332 thousand.

17. INVESTMENT PROPERTY, NET

The movements of investment property are summarized as follows:

	For the Nine Months Ended September 30, 2024		
	Land	**Buildings**	**Total**
Cost			
Balance, January 1	$ 636,385	$ 508,181	$ 1,144,566
Addition	-	3,652	3,652
Deduction	-	-	-
Reclassifications	(207,311)	(154,961)	(362,272)
Balance, September 30	429,074	356,872	785,946

(Continued)

	For the Nine Months Ended September 30, 2024		
	Land	Buildings	Total
Accumulated depreciation			
Balance, January 1	$ -	$ 293,215	$ 293,215
Depreciation	-	5,930	5,930
Deduction	-	-	-
Reclassifications	-	(83,976)	(83,976)
Balance, September 30	-	215,169	215,169
Net amount			
Balance, September 30	$ 429,074	$ 141,703	$ 570,777

(Concluded)

	For the Nine Months Ended September 30, 2023		
	Land	Buildings	Total
Cost			
Balance, January 1	$ 769,753	$ 591,607	$ 1,361,360
Addition	-	3,484	3,484
Deduction	(98,258)	(30,260)	(128,518)
Reclassifications	10,451	(4,807)	5,644
Balance, September 30	681,946	560,024	1,241,970
Accumulated depreciation			
Balance, January 1	-	335,852	335,852
Depreciation	-	8,489	8,489
Deduction	-	(18,534)	(18,534)
Reclassifications	-	(2,528)	(2,528)
Balance, September 30	-	323,279	323,279
Net amount			
Balance, September 30	$ 681,946	$ 236,745	$ 918,691

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

Category	Useful Lives
Buildings	37-60 years

The above investment property of the Group is for the purpose of earning rental or capital appreciation, or both. The fair values of investment properties used mainly or partially for leasing as of September 30, 2024, December 31, 2023 and September 30, 2023 were $13,766,584, $15,037,721 and $15,037,721, respectively. The fair values, which were based on an internal valuation report instead of an assessment by an independent professional appraiser, were determined assuming unobservable inputs (Level 3).

Investment properties are leased out under operating leases with terms of 1 to 7 years. The lease contracts contain contingent rent clauses with annual rent adjustments based on a fixed ratio.

The maturity analysis of lease payments receivable under operating leases of investment properties were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Year 1	$ 50,954	$ 64,990	$ 68,805
Year 2	41,640	48,007	40,793
Year 3	27,868	37,782	31,216
Year 4	19,264	18,166	11,868
Year 5	6,407	13,057	3,444
Year 6 onwards	541	1,206	1,426
	$ 146,674	$ 183,208	$ 157,552

18. INTANGIBLE ASSETS, NET

	September 30, 2024	December 31, 2023	September 30, 2023
Goodwill	$ 876,717	$ 876,717	$ 876,717
Computer software	1,018,248	1,026,481	954,763
Others	6,932	6,852	6,538
	$ 1,901,897	$ 1,910,050	$ 1,838,018

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

	Goodwill	Computer Software	Others	Total
2024				
Balance, January 1	$ 876,717	$ 1,026,481	$ 6,852	$ 1,910,050
Addition	-	106,110	-	106,110
Deduction	-	(237)	-	(237)
Amortization	-	(253,664)	(196)	(253,860)
Reclassifications	-	134,188	-	134,188
Effect of exchange rate changes	-	5,370	276	5,646
Balance, September 30	$ 876,717	$ 1,018,248	$ 6,932	$ 1,901,897
2023				
Balance, January 1	$ 876,717	$ 871,778	$ 6,732	$ 1,755,227
Addition	-	131,059	-	131,059
Amortization	-	(225,271)	(193)	(225,464)
Reclassifications	-	176,831	-	176,831
Effect of exchange rate changes	-	366	(1)	365
Balance, September 30	$ 876,717	$ 954,763	$ 6,538	$ 1,838,018

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

Item	Years
Computer software	1.33-10.58 years

Goodwill includes $876,717, which resulted from the Bank's cash merger with SinoPac Card Services, and this merger was treated as a reorganization of SPH.

In assessing whether goodwill is impaired, the Bank considers the credit card department as a cash generating unit and estimates the recoverable amount by its value in use. The Bank uses the department's actual profitability and business or business recycle in making key assumption to predict future cash flows and thus calculates its value in use. Under a going-concern assumption, the Bank predicted the net cash flows that would be generated from the investee's operating activities in the next 5 years and estimated salvage value and used the Bank's weighted average cost of capital to calculate the value in use. The impairment tests on goodwill were conducted on October 31, 2023 and 2022.

For the nine months ended September 30, 2024, the year ended December 31, 2023 and the nine months ended September 30, 2023, the amounts of net income affiliated with cash generating units were $38,252, $28,820 and $28,718, respectively. The expected net income or loss for the years 2024 and 2023 as assessed by the impairment test on goodwill would be loss of $88,215 and gain of $28,252, respectively. The recoverable amount was expected to be higher than the book value. Therefore, the Group found no objective evidence that goodwill had been tested for impaired as of September 30, 2024 and 2023.

19. OTHER ASSETS, NET

	September 30, 2024	December 31, 2023	September 30, 2023
Guarantee deposits	$ 8,366,231	$ 9,381,782	$ 7,262,049
Prepayment	529,142	282,355	546,962
Temporary payment and suspense accounts	173,786	132,784	113,790
Others	73,135	71,259	84,231
	9,142,294	9,868,180	8,007,032
Less: Accumulated impairment	(13,657)	(11,565)	(7,935)
Net amount	$ 9,128,637	$ 9,856,615	$ 7,999,097

20. 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
Deposits transferred from Chunghwa Post Co., Ltd.	10,035,300	10,039,900	10,049,900
Due from Central Bank	1,582,815	1,537,624	1,614,426
Deposits from banks	980,890	44,276	49,547
	$ 85,716,012	$ 115,708,086	$ 88,617,358

21. SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

	September 30, 2024	December 31, 2023	September 30, 2023
Government bonds	$ 26,763,347	$ 20,747,083	$ 29,095,528
Bank debentures	23,377,557	4,038,914	4,235,011
Corporate bonds	8,216,424	1,387,590	1,736,895
Asset-backed securities	6,756,347	-	-
	$ 65,113,675	$ 26,173,587	$ 35,067,434
Agreed-upon repurchase price	$ 65,426,079	$ 26,375,371	$ 35,312,391
Par value	$ 71,502,026	$ 28,954,690	$ 38,041,212
Maturity date	December 2024	April 2024	March 2024

22. PAYABLES

	September 30, 2024	December 31, 2023	September 30, 2023
Acceptances payable	$ 7,747,282	$ 5,904,300	$ 7,502,682
Interest payable	6,667,568	7,020,873	6,670,497
Accrued expenses	4,998,764	4,507,408	4,158,911
Accounts payable	4,884,025	591,381	4,629,245
Receipts under custody	3,267,947	216,832	2,366,770
Accounts payable - factoring	2,675,884	2,322,038	3,702,836
Dividends payable to SPH	1,435,025	1,435,025	1,435,025
Notes and checks in clearing	1,017,555	3,788,256	3,944,360
Others	2,561,342	2,296,151	2,227,363
	$ 35,255,392	$ 28,082,264	$ 36,637,689

23. DEPOSITS AND REMITTANCES

	September 30, 2024	December 31, 2023	September 30, 2023
Checking	$ 13,263,908	$ 12,937,748	$ 10,699,648
Demand	545,277,744	449,339,565	421,911,632
Savings - demand	586,529,970	567,479,994	557,023,856
Time deposits	730,627,097	645,462,780	678,934,007
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	33,371	29,469	34,965
	$ 2,242,171,920	$ 2,023,385,269	$ 2,008,097,987

24. BANK DEBENTURES

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

	September 30, 2024	December 31, 2023	September 30, 2023	Maturity Date	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.

(Continued)

	September 30, 2024	December 31, 2023	September 30, 2023	Maturity Date	Rates
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	1,000,000	-	-	2024.09.26-2026.09.26 Principal is repayable on maturity date.	Fixed interest rate of 1.73%, interest is paid annually.
	$ 53,784,355	$ 56,832,276	$ 58,252,126		

(Concluded)

25. OTHER FINANCIAL LIABILITIES

	September 30, 2024	December 31, 2023	September 30, 2023
Principal of structured products	$ 57,297,417	$ 47,757,392	$ 51,407,532
Cumulative earnings on appropriated loan fund	47,737	96,486	122,669
	$ 57,345,154	$ 47,853,878	$ 51,530,201

26. PROVISIONS

	September 30, 2024	December 31, 2023	September 30, 2023
Provision for employee benefits	$ 2,024,876	$ 2,152,696	$ 1,613,752
Provision for financing commitment	124,290	235,001	322,842
Provision for guarantee liabilities	310,083	302,018	327,719
Provision for decommissioning liabilities	135,994	126,094	122,630
Other	9,865	10,835	8,940
	$ 2,605,108	$ 2,826,644	$ 2,395,883

The movements of provision for financing commitment, provision for guarantee liabilities and other provision-letter of credit were as follows:

	For the Nine Months Ended September 30, 2024		
	Provision for Financing Commitment	Provision for Guarantee Liabilities	Other Provision-letter of Credit
Balance, January 1	$ 235,001	$ 302,018	$ 10,835
Provision (reversal of provision)	(114,477)	7,883	(1,224)
Effect of exchange rate changes	3,766	182	254
Balance, September 30	$ 124,290	$ 310,083	$ 9,865

	For the Nine Months Ended September 30, 2023		
	Provision for Financing Commitment	Provision for Guarantee Liabilities	Other Provision-letter of Credit
Balance, January 1	$ 287,776	$ 339,536	$ 16,187
Provision (reversal of provision)	28,419	(12,384)	(7,637)
Effect of exchange rate changes	6,647	567	343
Balance, September 30	$ 322,842	$ 327,719	$ 8,893

27. PROVISIONS FOR EMPLOYEE BENEFITS

	September 30, 2024	December 31, 2023	September 30, 2023
Recognized in consolidated balance sheets (payables and provisions)			
Defined contribution plans	$ 57,627	$ 49,841	$ 47,686
Defined benefit plans	1,470,465	1,610,633	1,105,877
Preferential interest on employees' deposits	376,970	366,026	355,516
Others	177,441	176,037	152,359
	$ 2,082,503	$ 2,202,537	$ 1,661,438

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 $143,004, $143,509 and $118,343, respectively, the acquired total embedded value of which were $115,749, $115,749 and $98,623, 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	$ 64,899	$ 65,057

28. OTHER LIABILITIES

	September 30, 2024	December 31, 2023	September 30, 2023
Guarantee deposits received	$ 3,254,871	$ 5,833,308	$ 5,187,401
Temporary receipt and suspense accounts	1,587,818	1,248,845	787,008
Advance receipts	545,578	279,112	298,321
Deferred revenue	102,952	89,819	89,816
Others	53,718	55,562	72,813
	$ 5,544,937	$ 7,506,646	$ 6,435,359

29. 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 held 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. Thus, SPH adopted 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	$ 978,007	$ 765,613	$ 3,062,945	$ 2,484,759
Income tax on unappropriated earnings	-	-	96,125	-
Adjustments for prior period	1,132	2,823	10,188	(7,879)
Other	10,511	8,887	25,904	20,034
Deferred tax				
Temporary adjustment	(101,109)	107,767	(104,451)	71,220
Income tax expenses recognized in profit or loss	$ 888,541	$ 885,090	$ 3,090,711	$ 2,568,134

The ROC Income Tax Act was 20%. The rate of unappropriated earnings was 5%. The income tax rate that is applicable to the subsidiaries in China is 25%; 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**
Deferred tax				
Adjustments of current period				
Exchange difference on translating foreign operations	$ (35,992)	$ (59,138)	$ (90,176)	$ (881)
Unrealized gains (losses) on financial assets at fair value through other comprehensive income	3,824	42,788	(22,466)	16,856
Income tax recognized in other comprehensive income	$ (32,168)	$ (16,350)	$ (112,642)	$ 15,975

c. The Bank’s tax returns through 2018 have been assessed by the tax authorities.

d. SinoPac Call Center was merged into Bank SinoPac in 2019 and its profit-seeking enterprise income tax was assessed through 2018.

e. Pillar Two Income Tax Legislation

The government of Vietnam, where Ho Chi Minh City branch 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.

30. EQUITY

a. Common stock

The Bank's authorized capital is $140,000,000. And the Bank issued 14,000,000 thousand common stock with par value of NT$10. The authorized capital can be issued in installments upon approval of the board of directors.

On May 24, 2024, the Bank's board of directors, on behalf of the shareholders' meeting, resolved to issue 678,948 thousand common shares with earnings reallocated as capital at a par value of NT$10 each, increasing the share capital issued and fully paid to $103,781,984. The above transaction was set August 28, 2024 as the record date.

On November 18, 2022, in order to strengthen the Bank's capital, increase the common equity ratio and support the capital needs for operations and business expansion, the Bank's board of directors, on behalf of the shareholders' meeting, resolved to issue 666,667 thousand common shares with par value of NT$10 at a price of NT$15 per share for a total amount of $10 billion, which was 100% subscribed by the parent company, SPH. The paid-in capital is $96,992,508 after the capital increase and the record date was set as March 21, 2023.

b. Capital surplus

	September 30, 2024	December 31, 2023	September 30, 2023
Share premium	$ 7,335,205	$ 7,335,205	$ 7,335,205
Donated surplus	83	83	83
Consolidation premium	8,076,524	8,076,524	8,076,524
Share-based payment	167,956	167,956	167,956
Others	1,650	1,650	1,650
	$ 15,581,418	$ 15,581,418	$ 15,581,418

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

The board of directors of the parent company of the Bank, SPH, approved historical 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 Bank's capital surplus - share-based payment may only be used to offset a deficit.

c. Special reserve

Under Order No. 10010000440 (repealed on April 24, 2023, replaced by No. 11202709871 issued by the FSC), issued by the FSC on March 23, 2011, the trading loss provision recognized before December 31, 2010 is transferred to special reserve.

Under Order No. 1090150022 issued by the FSC on March 31, 2021, for the net deduction of other equity for the current period, the same amount of special surplus reserve shall be set aside from the net profit after tax for the current period plus the amount of items other than the net profit after tax for the current period included in the undistributed surplus for the current period. If there is still an insufficient amount, withdraw from the undistributed surplus of the previous period; for the net deduction of other equity accumulated in the previous period, the same amount of special surplus reserve will be withdrawn from the undistributed surplus of the previous period. If there is still a shortfall, the net profit after tax for the current period will be added to the current period's net profit after tax. The amount of items other than net profit included in the undistributed surplus of the current period shall be set aside, and the dividend policy shall be clearly stipulated in the company's articles of association. If the company has set aside a special surplus reserve in accordance with the foregoing provisions, the amount that has been set aside shall be consistent with the foregoing provisions and shall set aside a special surplus. The difference between the amount of the reserve and the amount of the reserve shall be set aside as a special surplus reserve. If there is a subsequent reversal of the net deduction of other equity items, the reversal of part of the reversal of the special surplus reserve distribution surplus shall be made.

Under Order No. 10510001510 (repealed on May 15, 2019, replaced by No. 10802714560 issued by the FSC), issued by the FSC on May 25, 2016, before dispatching the net income of 2016 through 2018, the Public Bank shall reserve 0.5% to 1% of net income as special reserve. Under Order No. 10802714560 issued by the FSC, it is no longer necessary to use special reserve as a way in response to the development of financial technology and the protection of the rights of employees in domestic banks from the fiscal year of 2019. The Bank can reserve the expenditure for employee transfer or placement and for employee training in financial technology development or banking business development.

d. Earnings distribution and dividend policy

The Bank's Articles of Incorporation provide that annual net income should be appropriated after it has:

1) Deducted any deficit of prior years;

2) Paid all outstanding taxes;

3) Set aside 30% of remaining earnings as legal reserve;

4) Set aside any special reserve or retained earnings allocated at its option;

5) Allocated shareholders' dividends.

The Banking Act provides that, before the balance of the reserve reaches the aggregate par value of the outstanding capital stock, above allocation should not exceed 15% of the aggregate par value of the outstanding capital stock of the Bank. If there's a net deduction of other equity accumulated in the previous period, the Bank should appropriate the same amount of special reserve from the unappropriated retained earnings in the previous period, if there's still a shortage, the Bank 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.

The Bank meets the required financial position; thus, the limitation on the setting aside of earnings to legal reserve under the Company Act is not applicable.

To comply with the Bank's globalization strategy, strengthen its market position, integrate its diversified business operation and be a major local bank, the Bank has adopted the "Balanced Dividend Policy".

Under this policy, dividends available for distribution are determined by referring to its capital adequacy ratio (CAR). Cash dividends may be declared if the Bank's CAR is above 10% and stock dividends may be declared if the CAR is equal to or less than 10%. However, the Bank may make discretionary cash distribution even if the CAR is below 10%, if approved at the shareholders' meeting, for the purpose of maintaining the cash dividends at a certain level in any given year.

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

Under the Financial Holding Company Act, the board of directors is empowered to execute the authority of the shareholders' meeting, which is under no jurisdiction in the related regulations in the Company Act.

The appropriations of earnings for 2022 have been proposed by the Bank's board of directors (on behalf of the shareholder's meeting) on May 19, 2023. The appropriations and dividends per share were as follows:

	Appropriation of Earnings
Legal reserve	$ 4,574,536
Special reserve	10,673,916

The appropriations of earnings for 2023 have been proposed by the Bank's board of directors (on behalf of the shareholder's meeting) on May 24, 2024. The appropriations and dividends per share were as follows:

	Appropriation of Earnings	**Dividends Per Share (NT$)**
Legal reserve	$ 5,141,400	
Reversal of special reserve	(4,741,496)	
Cash dividends	8,026,130	$ 0.8275
Stock dividends	6,789,476	0.7

In accordance with FSC Guideline No. 09900146911, cash dividends and bonus to shareholders for 2009 amounting to $1,435,025 shall not be remitted to the parent company until the land transferred to SPL from the Bank is disposed and the gain is realized.

e. 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	$ (676,646)	$ 4,156,361	$ (9,391,799)	$ (42,271)	$ (5,954,355)
Exchange differences					
Exchange differences on translation of foreign operations	450,881	-	-	-	450,881
Related income tax	(90,176)	-	-	-	(90,176)
Financial assets at fair value through other comprehensive income					
Current adjustment for change in value	-	2,843,846	2,444,191	-	5,288,037
Adjustment for loss allowance of debt instruments	-	-	22,012	-	22,012
Current disposal	-	-	(522,387)	-	(522,387)
Cumulative realized gain or loss transferred to retained earnings due to disposal	-	(4,360,199)	-	-	(4,360,199)
Related income tax	-	-	(22,466)	-	(22,466)
Change in fair value of financial liability attributable to change in credit risk of liability					
Change in amount	-	-	-	7,814	7,814
Balance September 30, 2024	$ (315,941)	$ 2,640,008	$ (7,470,449)	$ (34,457)	$ (5,180,839)

	Exchange Differences on Translation of Foreign Operations	Unrealized Gain or Loss on Financial Assets at Fair Value Through Other Comprehensive Income		Change in Fair Value of Financial Liability Attributable to Change in Credit Risk of Liability	Total
		Equity Instrument	Debt Instrument		
Balance January 1, 2023	$ (530,767)	$ (534,045)	$ (12,575,494)	$ (46,645)	$ (13,686,951)
Exchange differences					
Exchange differences on translation of foreign operations	4,406	-	-	-	4,406
Related income tax	(881)	-	-	-	(881)
Financial assets at fair value through other comprehensive income					
Current adjustment for change in value	-	3,794,628	(699,689)	-	3,094,939
Adjustment for loss allowance of debt instruments	-	-	(9,426)	-	(9,426)
Current disposal	-	-	(19,660)	-	(19,660)
Cumulative realized gain or loss transferred to retained earnings due to disposal	-	(1,092,162)	-	-	(1,092,162)
Related income tax	-	-	16,856	-	16,856
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	$ (527,242)	$ 2,168,421	$ (13,287,413)	$ (29,635)	$ (11,675,869)

31. NET INTEREST REVENUE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Interest income				
Loans	$ 13,552,877	$ 11,796,399	$ 38,358,915	$ 33,357,468
Security investments	4,577,111	3,831,314	13,082,697	10,292,415
Due from the Central Bank and call loans to banks	1,147,063	1,641,432	3,449,419	6,304,386
Securities purchased under resell agreements	553,736	274,664	1,423,968	965,599
Credit card revolving interest rate income	143,072	133,514	437,182	388,878
Others	356,173	372,735	1,216,207	1,001,333
	20,330,032	18,050,058	57,968,388	52,310,079
Interest expenses				
Deposits	(11,276,186)	(10,187,962)	(33,018,994)	(29,046,029)
Call loans from banks	(1,016,749)	(917,682)	(3,147,515)	(2,602,148)
Interest expense of structured products	(707,989)	(606,545)	(2,002,746)	(1,570,224)
Securities sold under repurchase agreements	(492,203)	(264,082)	(1,136,970)	(784,511)
Bank debentures	(213,156)	(219,274)	(646,947)	(648,730)
Others	(137,220)	(98,898)	(402,486)	(265,552)
	(13,843,503)	(12,294,443)	(40,355,658)	(34,917,194)
Net amount	$ 6,486,529	$ 5,755,615	$ 17,612,730	$ 17,392,885

32. SERVICE FEE INCOME, NET

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Service fee income				
Trust and related services	$ 985,373	$ 763,407	$ 2,844,997	$ 1,964,214
Loan services	606,057	470,313	2,486,770	1,999,980
Insurance services	572,054	574,121	2,227,650	1,552,261
Credit card services	238,888	203,778	665,105	623,442
Others	450,196	389,433	1,373,404	1,031,341
	2,852,568	2,401,052	9,597,926	7,171,238
Service fee expenses				
Credit card services	(253,428)	(218,398)	(709,338)	(620,324)
Interbank services	(103,801)	(91,644)	(300,501)	(269,062)
Trust services	(61,452)	(55,797)	(179,320)	(147,829)
Proxy services	(25,600)	(23,086)	(76,127)	(59,147)
Others	(132,360)	(133,247)	(407,545)	(346,270)
	(576,641)	(522,172)	(1,672,831)	(1,442,632)
Net amount	$ 2,275,927	$ 1,878,880	$ 7,925,095	$ 5,728,606

33. 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				
Corporate bonds	$ (1,208)	$ (177,932)	$ 30,572	$ (429,360)
Currency swap contracts	1,378,837	1,224,427	5,075,633	2,816,269
Forward exchange contracts	(704,566)	314,335	906,995	737,932
Interest rate swap contracts	237,216	790,117	138,010	1,631,212
Option contracts	63,352	17,101	108,878	(107,009)
Others	140,340	40,116	330,693	109,131
	1,113,971	2,208,164	6,590,781	4,758,175
Unrealized gain (loss) on financial assets and liabilities at fair value through profit or loss				
Corporate bonds	64,452	115,075	20,339	484,626
Bank debentures	19,311	(63,046)	(71,119)	(109,086)
Forward exchange contracts	(436,452)	295,311	841,632	661,061
Interest rate swap contracts	(610,698)	454,148	535,418	(87,359)
Currency swap contracts	663,277	653,036	266,783	1,098,060
Option contracts	389,595	(1,069,804)	36,327	(592,964)
Others	79,337	(70,157)	100,485	(69,004)
	168,822	314,563	1,729,865	1,385,334
Interest income	234,031	169,938	629,461	456,893
Dividend income	2,423	7,099	4,434	9,912
	$ 1,519,247	$ 2,699,764	$ 8,954,541	$ 6,610,314

34. 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
Dividends revenue				
Holding at the end of the reporting period	$ 269,050	$ 531,785	$ 465,443	$ 1,103,537
Disposed in the reporting period	44,479	97,175	77,381	108,150
Gain or loss from disposal of debt instruments	100,368	(76,154)	522,387	19,660
	$ 413,897	$ 552,806	$ 1,065,211	$ 1,231,347

35. 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
Rental income	$ 14,607	$ 20,663	$ 45,377	$ 65,841
Recovered overdue accounts	2,374	662	41,897	2,356
Gain on disposal of investment properties	-	50,096	-	50,096
Operating assets rental income	6,431	6,554	19,383	19,770
Others	2,696	(3,258)	3,748	3,512
	$ 26,108	$ 74,717	$ 110,405	$ 141,575

36. EMPLOYEE BENEFITS EXPENSES

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Salaries and wages	$ 2,892,616	$ 2,698,494	$ 8,696,054	$ 7,565,547
Labor insurance and national health insurance	171,459	158,497	567,486	527,587
Pension costs	92,862	83,711	280,958	255,641
Share-based transaction				
Equity-settled	-	-	-	100,445
Cash-settled	3,488	(5,038)	12,915	3,927
Others	246,284	234,961	701,273	682,326
	$ 3,406,709	$ 3,170,625	$ 10,258,686	$ 9,135,473

The Bank's Articles of Incorporation provide that the Bank shall allocate from annual profit more than 0.5% as employees' compensation and not more than 1% as remuneration of directors. But if there are accumulated losses, the Bank should make up for the losses first.

The employees' compensation and the remuneration of directors recognized were estimated on the basis of the provisions of the Bank's Articles of Incorporation and past experience. The Bank accrued $87,729 and $76,660 as employees' compensation and $33,969 and $28,579 as remuneration of directors for the nine months ended September 30, 2024 and 2023.

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

The board of directors approved $100,000 as employees' compensation and $40,000 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 Bank's board of directors had reported the remuneration of employees and directors in 2023 on behalf of the shareholder on May 24, 2024.

The board of directors approved $90,000 as employees' compensation and $34,127 as remuneration of directors on January 16, 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 Bank's board of directors had reported the remuneration of employees and directors in 2022 on behalf of the shareholder on May 19, 2023.

The information on employees' compensation and the remuneration of 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, SPH, parent company, has set 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 SPH with the long-term performance index. The Bank 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.

37. 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	$ 6	$ 6	$ 18	$ 18
Buildings	41,425	43,968	123,973	131,701
Machinery and computer equipment	79,150	78,961	241,114	237,291
Other equipment	28,332	26,257	82,185	77,778
Leasehold improvements	17,143	15,503	53,403	45,430
Right-of-use assets	196,305	186,228	576,783	544,885
	362,361	350,923	1,077,476	1,037,103
Amortization expense	83,856	79,165	253,860	225,464
	$ 446,217	$ 430,088	$ 1,331,336	$ 1,262,567

38. 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	$ 678,742	$ 537,414	$ 1,815,554	$ 1,542,694
Automated equipment	204,160	143,751	537,748	459,049
Marketing	158,546	125,924	401,592	346,661
Professional advisory	138,269	95,736	379,126	309,785
Insurance	121,110	120,269	362,442	345,205
Location fee	122,772	105,548	329,532	296,923
Communications expense	85,248	79,861	259,196	245,383
Others	175,713	172,625	509,475	501,060
	$ 1,684,560	$ 1,381,128	$ 4,594,665	$ 4,046,760

39. EARNINGS PER SHARE

Basic earnings per share is calculated by the gain or loss attributed to the Bank's shareholder divided by the weighted-average number of common stock outstanding.

Dollars Per Share

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	**2023**	**2024**	**2023**
Basic EPS	$ 0.45	$ 0.43	$ 1.39	$ 1.25

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

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	$ 4,664,576	$ 4,411,945	$ 14,380,864	$ 12,693,408

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	10,378,198	10,378,198	10,378,198	10,185,280

The impact of the bonus shares distributed on August 28, 2024 has been adjusted retrospectively in the calculation of earnings per share for the comparative period. After the adjustment, basic earnings per share for the three months and nine months ended September 30, 2023 decreased from NT$0.45 and NT$1.34 to NT$0.43 and NT$1.25, respectively.

40. RELATED-PARTY TRANSACTIONS

In addition to those disclosed in other notes to the consolidated financial statements, transactions, between the Group and other related parties are summarized as follows:

a. Related parties and their relationships with the Group

Related Party	Relationship with the Group
SinoPac Financial Holdings Company Limited (SPH)	Parent company of the Bank
SinoPac Securities Corporation (SinoPac Securities)	Subsidiary of SPH
SinoPac Securities Investment Trust Co., Ltd. (SinoPac Securities Investment Trust)	Subsidiary of SPH
SinoPac Venture Capital Corporation (SinoPac Venture Capital)	Subsidiary of SPH
SinoPac Leasing Corporation (SPL)	Subsidiary of SPH
SinoPac Futures Corporation (SinoPac Futures)	Subsidiary of SinoPac Securities
SinoPac Securities Investment Service Corporation (SinoPac Securities Investment Service)	Subsidiary of SinoPac Securities
SinoPac Securities Venture Capital Corporation (SinoPac Securities Venture Capital)	Subsidiary of SinoPac Securities
SinoPac Securities (Asia) Ltd. (SinoPac Securities (Asia))	Subsidiary of SinoPac Securities
SinoPac International Leasing Corporation (SPIL)	Subsidiary of SPL
SinoPac Capital International (HK) Limited (SinoPac Capital International (HK))	Subsidiary of SPL
Chung-Hua Institution for Economic Research	Affiliate of SPH's chairman (before March 2024)
The Bankers Association of the Republic of China (BAROC)	Affiliate of SPH's chairman (before November 2023)
SinoPac Foundation	Affiliate of SPH's chairman
Taiwan Futures Exchange (TAIFEX)	Affiliate of SinoPac Futures' general manager (before July 2024)
Taiwan Creative Industry Development Co., Ltd. (Taiwan Creative Industry)	Affiliate of SinoPac Venture Capital's general manager
Global Unichip Corp. (GUC)	Affiliate of SPH's chairman's spouse
Hsinex International Corp. (Hsinex International)	SPH's corporate director
Xing Yuan Co., Ltd. (Xing Yuan)	SPH's corporate director
Hsin Yi Recreation Enterprise Co., Ltd. (Hsin Yi Recreation)	Affiliate of SPH's corporate director
E Ink Holdings Inc. (E Ink Holdings)	Affiliate of SPH's director
China Airlines Co., Ltd. (China Airlines)	Affiliate of the Bank's director
Chunghwa Telecom Co., Ltd. (Chunghwa Telecom)	Affiliate of the Bank's director
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

(Continued)

Related Party	Relationship with the Group
Hua Nan Commercial Bank Ltd. (Hua Nan Bank)	Affiliate of SPL's director's spouse
Hotai Investment Limited (Hotai Investment)	Affiliate of the Bank's manager
Hao-Xin-Di Co., Ltd. (Hao-Xin-Di)	Affiliate of second-degree kin of the Bank's manager
Zetai Investment Limited (Zetai Investment)	Affiliate of second-degree kin of the Bank's manager
Kim Great Co., Ltd. (Kim Great)	Affiliate of second-degree kin of the Bank's manager (before October 2023)
TransGlobe Life Insurance Inc. (TGL)	Related party
YFY International B.V. (YFY International)	Related party
Jhong Cing Investment Co., Ltd. (Jhong Cing Investment)	Related party
Hsin-Yi Foundation	Related party
China Color Printing Co., Ltd. (China Color Printing)	Related party
Transyork Technology Yangzhou Ltd. (Transyork Technology Yangzhou)	Related party
ScinoPharm Taiwan, Ltd. (ScinoPharm Taiwan)	Related party
Rich Optronics (Yangzhou) Co., Ltd. (Rich Optronics (Yangzhou))	Related party
E Ink Technology B.V.	Related party
Taigen Biotechnology Co., Ltd. (Taigen Biotechnology)	Related party
Yong Hsin Yi Enterprise Co., Ltd. (Yong Hsin Yi Enterprise)	Related party
Guanyu Investment Co., Ltd. (Guanyu Investment)	Related party
Uni-President Enterprises (China) Investment Ltd. (Uni-President Enterprises (China))	Related party (before March 2024)
Transcend Optronics (Yangzhou) Co., Ltd. (Transcend Optronics (Yangzhou))	Related party
Yuanhan Materials Inc. (Yuanhan Materials)	Related party
Shen's Art Printing Co., Ltd. (Shen's Art Printing)	Related party
Foongtone Technology Co., Ltd. (Foongtone Technology)	Related party
Dream Universe Limited	Related party
Yuen Foong Yu Biotech Co., Ltd. (Yuen Foong Yu Biotech)	Related party
Kinpo Electronics, Inc. (Kinpo Electronics)	Related party
Fu Hua Development Enterprise Co., Ltd. (Fu Hua Development)	Related party
Beautone Co., Ltd. (Beautone)	Related party
YFY Investment Co., Ltd. (YFY Investment)	Related party
YFY Packaging (Yangzhou) Investment Co., Ltd. (YFY Packaging (Yangzhou))	Related party
Micareo Inc.	Related party
Others	The Group's directors, supervisors, managers and their relatives, department chiefs, investments accounted for using the equity method and their subsidiaries, and investees of SPH'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
Excess future margin			
Others	$ 98,920	$ 66,736	$ 63,844

The amount of interest revenue from the collateral deposit for futures and options transactions with related parties for the nine months ended September 30, 2024 and 2023 were $227 and $132, respectively.

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

2024

	September 30		For the Nine Months Ended September 30
	Ending Balance	Interest (%)	Interest Income
Call loans to banks			
Hua Nan Bank	$ 1,272,435	0.25-5.53	$ 53,775

2023

	December 31	
	Ending Balance	Interest (%)
Call loans to banks		
Hua Nan Bank	$ 1,050,408	0.15-6.8

	September 30		For the Nine Months Ended September 30
	Ending Balance	Interest (%)	Interest Income
Call loans to banks			
Hua Nan Bank	$ 2,199,689	0.15-6.8	$ 45,293

3) Financial assets and liabilities at fair value through profit or loss

	September 30, 2024	December 31, 2023	September 30, 2023
Future margin-own funds			
Others	$ 3,703	$ 4,554	$ 946

4) 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

5) 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

December 31, 2023 and September 30, 2023

None.

6) Receivables and payables

	September 30, 2024	December 31, 2023	September 30, 2023
Receivables			
Others	$ 285,538	$ 259,692	$ 253,365
Payables			
Others	$ 35,028	$ 32,826	$ 32,421
Cash dividends payable to SPH	$ 1,435,025	$ 1,435,025	$ 1,435,025

7) Current income tax assets and liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
Receivables from adopting the linked-tax system	$ 1,055,020	$ 1,055,020	$ 1,055,020
Payables from adopting the linked-tax system	$ 870,240	$ 1,170,711	$ 1,161,287

8) Loans

For the Nine Months Ended September 30, 2024			
Ending Balance	Highest Balance	Interest/ Fee Rates (%)	Interest Income
$ 11,773,989	$ 13,140,480	0-14.63	$ 188,397

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	None
Household mortgage loans	1,190	8,248,169	7,815,389	V	-	Real estate	None
Others:							
	SPL	400,000	400,000	V	-	Real estate	None
	Kinpo Electronics, Inc.	327,500	327,500	V		None, Note 1	None
	Jhong Cing Investment	51,147	48,504	V	-	Real estate	None
	Hao-Xin-Di	5,975	5,321	V	-	Real estate	None
	Hotai Investment	756	138	V	-	Vehicle	None
	Zetai Investment	525	262	V	-	Vehicle	None
	Others	3,833,245	2,932,009	V	-	Real estate and vehicle	None
	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 (%)
$ 10,747,642	$ 11,779,288	0-12.9

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	None
Household mortgage loans	1,197	8,113,385	7,681,745	V	-	Real estate	None
Others:							
	SPL	70,000	-	V	-	Real estate	None
	Jhong Cing Investment	54,634	51,147	V	-	Real estate	None
	Hao-Xin-Di	6,833	5,975	V	-	Real estate	None
	Hotai Investment	1,581	756	V	-	Vehicle	None
	Zetai Investment	875	525	V	-	Vehicle	None
	Others	3,214,415	2,719,594	V	-	Real estate and vehicle	None
	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**
$ 10,599,412	$ 11,496,862	0-12.9	$ 141,826

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	None
Household mortgage loans	1,172	7,868,173	7,519,771	V	-	Real estate	None
Others:							
	SPL	70,000	-	V	-	Real estate	None
	Jhong Cing Investment	54,634	52,024	V	-	Real estate	None
	Kim Great	40,670	38,518	V	-	Real estate	None
	Hao-Xin-Di	6,833	6,191	V	-	Real estate	None
	Hotai Investment	1,581	963	V	-	Vehicle	None
	Zetai Investment	875	612	V	-	Vehicle	None
	Others	3,179,497	2,730,745	V	-	Real estate, certificates of deposits, securities and vehicle	None
	Others subtotal	3,354,090	2,829,053				
	Total	$ 11,496,862	$ 10,599,412				

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

Note 2: Debtors of related party loans are all within normal credit ranking. The Bank estimated the provision for doubtful debt periodically in accordance with the guidelines issued by the authority and IFRS Accounting Standards.

9) 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
Others	21,787	21,379	21,808

10) Property and equipment

In the nine months ended September 30, 2024 and 2023, the Bank 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 prepayment.

The Bank leased other equipment from its related parties, due to the date, September 30, 2024, December 31, 2023 and September 30, 2023, the carrying amount were $37, $45 and $48, respectively.

11) Intangible assets

In the nine months ended September 30, 2024 and 2023, the Bank purchased computer software from its related parties in the amount of $22,570 and $31,598, respectively.

12) Other assets

	September 30, 2024	December 31, 2023	September 30, 2023
Prepayments			
Others	$ 4,115	$ 4,206	$ 4,003
Guarantee deposits			
TAIFEX	-	113,192	94,880
Others	10,376	11,086	9,304
Clearing and Settlement fund			
Others	-	20,000	20,000

The Bank signed an agreement with other related parties for the purchase. The Bank paid $32,173 and $16,231 for the nine months ended September 30, 2024 and 2023, which were recorded as prepayments (other assets) or other general and administrative expenses.

The amount of undiscounted guarantee deposits from lease contract were $14,563, $15,343 and $12,703 as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively.

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	$ -	$ 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
Others	49,959	49,961

14) Deposits from the Central Bank and banks

2024

	September 30		For the Nine Months Ended September 30
	Ending Balance	Interest Rates (%)	Interest Expense
Hua Nan Bank	$ -	0.1-5.61	$ 25,100

2023

	December 31	
	Ending Balance	Interest Rates (%)
Others	$ -	0.1-5.68

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

15) Deposits

2024

September 30		For the Nine Months Ended September 30
Ending Balance	Interest Rates (%)	Interest Expense
$ 34,560,506	0-13	$ 502,325

	Ending Balance	Interest Rate (%)
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
Others	9,700,515	0-13
	$ 34,560,506	

2023

December 31	
Ending Balance	Interest Rates (%)
$ 34,057,568	0-13

	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
Others	9,222,765	0-13
	$ 34,057,568	

2023

September 30		For the Nine Months Ended September 30
Ending Balance	**Interest Rates (%)**	**Interest Expense**
$ 26,417,286	0-13	$ 320,952

	Ending Balance	Interest Rate (%)
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 Taiwan	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
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
Xing Yuan	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 Industry	104,380	0.53
Micareo Inc.	103,770	1.15
Guanyu Investment	101,171	0-5
Others	8,856,340	0-13
	$ 26,417,286	

16) Bank debentures

The Bank paid interest of bank debentures to related parties for the nine months ended September 30, 2024 and 2023 were $36,360 and $30,320, respectively.

17) Other liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
Guarantee deposits received	$ 5,337	$ 7,781	$ 9,256
Advance receipts	4	12	6

18) Revenues and expenses

	For the Nine Months Ended September 30	
	2024	2023
Lease contracts - guarantee deposits interest revenue	$ 335	$ 251
Lease contracts - interest expenses	22,442	21,385
Commissions and fee revenues		
SinoPac Securities	168,200	42,534
Others	39,508	35,284
Commissions and fee expenses	59,243	51,432
Realized gains on financial assets at fair value through other comprehensive income	5,848	19,870
Net other revenue other than interest income	7,395	9,226
Donation - SinoPac Foundation	24,000	24,000
Other general and administrative expenses	151,418	185,345

19) Operating lease

<u>The Group as a lessee</u>

	For the Nine Months Ended September 30	
	2024	2023
Acquisitions of right-of-use assets		
Chunghwa Telecom	$ 269,343	$ 3,040
Others	53,113	5,849

	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
Others	20,282	6,790	7,632

a) Guarantee deposits, please refer to Note 40,b.12.

b) The guarantee deposits interest revenue, lease interest expense and other lease expense (recognized as other general and administrative expense), please refer to Note 40,b.18.

The Group as a lessor

Lessee	Rental Income For the Nine Months Ended September 30 2024	2023	Lease Term	Receiving Frequency
SinoPac Securities	$ 10,991	$ 22,840	March 2029	Rentals received monthly
SinoPac Securities Investment Trust	7,429	7,274	December 2029	Rentals received monthly
SinoPac Venture Capital	1,830	1,857	July 2028	Rentals received monthly
SPL	1,070	4,815	February 2024	Rentals received monthly
Yuen Foong Yu Biotech	2,547	2,547	December 2028	Rentals received monthly
Others	1,419	3,386	December 2026	Rentals received monthly

Transactions between the Bank and the related parties are at arm's length commercial terms except for the preferential interest rates offered to employees for savings and loans up to prescribed limits.

Under the Banking Act, except for government and consumer loans, credit extended by the Bank to any related party should be fully secured, and the credit terms for related parties should be similar to those for unrelated parties.

For transactions between related parties with Bank SinoPac (China) and SinoPac Insurance Brokers, the terms are similar to those transacted with unrelated parties.

c. Compensation of management personnel

	For the Nine Months Ended September 30 2024	2023
Short-term employee benefits	$ 89,922	$ 94,028
Post-employment benefits	15,264	2,122
Share-based payment	9,148	749
	$ 114,334	$ 96,899

The management personnel are mainly composed of director, general manager, vice general manager and other employees whose job grade is higher than the former.

41. PLEDGED OR MORTGAGED ASSETS

In addition to those disclosed in other notes, pledged or restricted assets of the Group are summarized as follows:

Restricted Assets	Object	September 30, 2024	December 31, 2023	September 30, 2023	Purposes
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

Note 1: Pledged with repurchase agreement.

Note 2: 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: Guarantees of dealing and underwriting business, a trust reserve fund, guarantees of bills financial service, clearing guarantees of derivative, 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: Pledged in accordance with the Federal Reserve Bank under the discount window program.

42. SIGNIFICANT CONTINGENT 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 were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Trust assets	$ 1,119,185,004	$ 981,419,574	$ 954,971,244
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
Guarantee notes received	10,000,000	500,000	1,126,600
Agent for marketable 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 loan	444,107	-	-
Consignment underwriting of securities	-	-	845,770

As of September 30, 2024, in addition to abovementioned unrecognized commitments, the Bank and SinoPac Securities had applied for tax concessions to Ministry of Finance regarding their technical support service expenditure relating to the financial transaction system, and had jointly signed to the system manufacturer the letter of indemnity of which 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 the Bank 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 this and the effective tax refund application deadline. Subsequently, in line with the Bank's independent system usage, the Bank will sign a separate letter of indemnity with the manufacturer, establishing a maximum indemnity cap of US$1,300 thousand, with the guarantee period extending to December 31, 2037 or the later of the effective tax refund application deadlines. Both letters of indemnity remain valid per their respective terms, with the bank's total indemnity liability capped at US$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 the Bank 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 recognized operating expenses in the amount of $22,500.

b. The Group entered into contracts to buy computers and office equipment were for $1,538,024 and $916,083 of which $1,022,145 and $641,289 had not been paid as of September 30, 2024 and 2023.

43. 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
Measured on a recurring basis				
Non-derivative financial instruments				
Assets				
Financial assets at fair value through profit or loss				
Financial assets mandatorily classified as at FVTPL				
Stocks	$ 207,757	$ 201,625	$ -	$ 6,132
Bonds	25,536,631	15,159,129	10,377,502	-
Others	13,556,518	-	13,556,518	-
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 FVTOCI				
Stocks and others	10,668,792	9,117,152	151,717	1,399,923
Debt instruments at FVTOCI				
Bonds	194,372,442	110,218,205	83,046,820	1,107,417
Certificates of deposits and others	148,064,020	153,851	147,910,169	-
Liabilities				
Financial liabilities at fair value through profit or loss				
Financial liabilities designated at fair value through profit or loss	1,993,797	-	1,993,797	-
Derivative financial instruments				
Assets				
Financial assets at fair value through profit or loss				
Financial assets mandatorily classified as at FVTPL	28,982,267	65,551	25,796,034	3,120,682
Liabilities				
Financial liabilities at fair value through profit or loss				
Held-for-trading financial liabilities	30,651,179	-	28,747,108	1,904,071

Financial Instruments Measured at Fair Value	December 31, 2023			
	Total	Level 1	Level 2	Level 3
Measured on a recurring basis				
Non-derivative financial instruments				
Assets				
Financial assets at fair value through profit or loss				
Financial assets mandatorily classified as at FVTPL				
Stocks	$ 352,132	$ 346,643	$ -	$ 5,489
Bonds	31,366,300	23,244,786	7,660,227	461,287
Others	11,510,155	-	11,510,155	-
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 FVTOCI				
Stocks and others	19,208,219	16,572,718	1,537,790	1,097,711
Debt instruments at FVTOCI				
Bonds	165,334,130	74,728,107	89,530,224	1,075,799
Certificates of deposits and others	173,797,496	849,315	172,948,181	-
Liabilities				
Financial liabilities at fair value through profit or loss				
Financial liabilities designated at fair value through profit or loss	1,873,060	-	1,873,060	-
Derivative financial instruments				
Assets				
Financial assets at fair value through profit or loss				
Financial assets mandatorily classified as at FVTPL	36,053,499	15,955	33,297,815	2,739,729
Liabilities				
Financial liabilities at fair value through profit or loss				
Held-for-trading financial liabilities	40,249,865	-	38,605,426	1,644,439

Financial Instruments Measured at Fair Value	September 30, 2023			
	Total	Level 1	Level 2	Level 3
Measured on a recurring basis				
Non-derivative financial instruments				
Assets				
Financial assets at fair value through profit or loss				
Financial assets mandatorily classified as at FVTPL				
Stocks	$ 185,743	$ 180,348	$ -	$ 5,395
Bonds	26,211,493	19,831,139	6,380,354	-
Others	9,554,478	-	9,554,478	-
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 FVTOCI				
Stocks and others	19,428,969	16,435,189	1,984,954	1,008,826
Debt instruments at FVTOCI				
Bonds	155,588,961	61,943,553	92,515,875	1,129,533
Certificates of deposits and others	151,550,110	598,326	150,951,784	-
Liabilities				
Financial liabilities at fair value through profit or loss				
Financial liabilities designated at fair value through profit or loss	1,944,781	-	1,944,781	-
Derivative financial instruments				
Assets				
Financial assets at fair value through profit or loss				
Financial assets mandatorily classified as at FVTPL	52,500,120	26,169	47,888,724	4,585,227
Liabilities				
Financial liabilities at fair value through profit or loss				
Held-for-trading financial liabilities	45,314,023	-	42,828,206	2,485,817

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 and 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 price; (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 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 markets, over-the-counter 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 takes 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 Level 1 and Level 2

For the nine months ended September 30, 2024, the Group transferred part of the government bonds and bank debentures were $4,571,596 from Level 1 to Level 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 were $12,133,014 from Level 1 to Level 2 because the Group determined these investments were not in an active market.

5) Reconciliation of Level 3 items of financial instruments

a) Reconciliation of Level 3 items of financial assets

For the Nine Months Ended September 30, 2024									
Items	Beginning Balance	Gains (Losses) on Valuation		Increase		Decrease		Effects of Changes in Exchange Rate	Ending Balance
		Profit and Loss	Other Comprehensive Income	Purchase/ Issued	Transfer to Level 3	Disposed/Sold	Transfer Out of Level 3		
Non-derivative financial instruments									
Financial assets at fair value through profit or loss									
Financial assets mandatorily classified as at FVTPL	$ 466,776	$ 8,965	$ -	$ -	$ -	$ (479,343)	$ -	$ 9,734	$ 6,132
Financial assets at fair value through other comprehensive income									
Equity instruments at FVTOCI	1,097,711	-	302,212	-	-	-	-	-	1,399,923
Debt instruments at FVTOCI	1,075,799	-	-	-	-	-	-	31,618	1,107,417
Derivative financial instruments									
Financial assets at fair value through profit or loss									
Financial assets mandatorily classified as at FVTPL	2,739,729	380,953	-	-	-	-	-	-	3,120,682

For the Nine Months Ended September 30, 2023									
Items	Beginning Balance	Gains (Losses) on Valuation		Increase		Decrease		Effects of Changes in Exchange Rate	Ending Balance
		Profit and Loss	Other Comprehensive Income	Purchase/ Issued	Transfer to Level 3	Disposed/Sold	Transfer Out of Level 3		
Non-derivative financial instruments									
Financial assets at fair value through profit or loss									
Financial assets mandatorily classified as at FVTPL	$ 4,981	$ 93	$ -	$ -	$ -	$ -	$ -	$ 321	$ 5,395
Financial assets at fair value through other comprehensive income									
Equity instruments at FVTOCI	1,187,573	-	(173,455)	-	-	(5,292)	-	-	1,008,826
Debt instruments at FVTOCI	1,074,787	-	-	-	-	-	-	54,746	1,129,533
Derivative financial instruments									
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

For the nine months ended September 30, 2024 and 2023, the gains on valuation included in net income with assets still held were gain $584,892 and $2,300,396, 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 gain $302,212 and loss $173,455, respectively.

b) Reconciliation of Level 3 items of financial liabilities

For the Nine Months Ended September 30, 2024								
Items	Beginning Balance	Valuation Gain/Loss Reflected on Profit or Loss	Increase		Decrease		Effects of Changes in Exchange Rate	Ending Balance
			Purchase/ Issued	Transfer to Level 3	Disposed/Sold	Transfer Out of Level 3		
Derivative financial instruments								
Financial liabilities at fair value through profit or loss								
Held-for-trading financial liabilities	$ 1,644,439	$ 259,632	$ -	$ -	$ -	$ -	$ -	$ 1,904,071

For the Nine Months Ended September 30, 2023								
Items	Beginning Balance	Valuation Gain/Loss Reflected on Profit or Loss	Increase		Decrease		Effects of Changes in Exchange Rate	Ending Balance
			Purchase/ Issued	Transfer to Level 3	Disposed/Sold	Transfer Out of Level 3		
Derivative financial instruments								
Financial liabilities at fair value through profit or loss								
Held-for-trading financial liabilities	$ 1,507,083	$ 978,734	$ -	$ -	$ -	$ -	$ -	$ 2,485,817

For the nine months ended September 30, 2024 and 2023, the losses on valuation included in net income from liabilities still held were loss $440,279 and $1,312,420, 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)
Derivative financial instruments					
Financial instruments at fair value through profit or loss					
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)	-
	$ 3,120,682	$ 1,904,071			
Non-derivative financial instruments					
Financial assets at fair value through profit or loss					
Financial assets mandatorily classified as at FVTPL					
Stock	$ 6,132	$ -	Market approach	Discount factor of liquidity	10%-30%
Financial assets at fair value through other comprehensive income					
Equity instruments at FVTOCI					
Stock	$ 1,399,923	$ -	Market approach or market value with liquidity valuation discount	Discount factor of liquidity	10%-30%
Debt instruments at FVTOCI					
Bonds	$ 1,107,417	$ -	Taipei Exchange's quote or Bloomberg's quote	(Note 3)	-

December 31, 2023

Financial Instruments Measured at Fair Value	**Financial Assets**	**Financial Liabilities**	**Valuation Techniques**	**Significant Unobservable Inputs**	**Interval (Weighted-average)**
Derivative financial instruments					
Financial instruments at fair value through profit or loss					
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	57,405	57,381	Sellers' quote	(Note 1)	-
	$ 2,739,729	$ 1,644,439			
Non-derivative financial instruments					
Financial assets at fair value through profit or loss					
Financial assets mandatorily classified as at FVTPL					
Stock	$ 5,489	$ -	Market approach	Discount factor of liquidity	10%-30%
Bonds	461,287	-	Taipei Exchange's quote or Bloomberg's quote	(Note 3)	-
	$ 466,776	$ -			
Financial assets at fair value through other comprehensive income					
Equity instruments at FVTOCI					
Stock	$ 1,097,711	$ -	Market approach or market value with liquidity valuation discount	Discount factor of liquidity	10%-30%
Debt instruments at FVTOCI					
Bonds	$ 1,075,799	$ -	Taipei Exchange's quote or Bloomberg's quote	(Note 3)	-

September 30, 2023

Financial Instruments Measured at Fair Value	Financial Assets	Financial Liabilities	Valuation Techniques	Significant Unobservable Inputs	Interval (Weighted-average)
Derivative financial instruments					
Financial instruments at fair value through profit or loss					
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	74,304	74,267	Sellers' quote	(Note 1)	-
	$ 4,585,227	$ 2,485,817			
Non-derivative financial instruments					
Financial assets at fair value through profit or loss					
Financial assets mandatorily classified as at FVTPL					
Stock	$ 5,395	$ -	Market approach	Discount factor of liquidity	10%-30%
Financial assets at fair value through other comprehensive income					
Equity instruments at FVTOCI					
Stock	$ 1,008,826	$ -	Market approach or market value with liquidity valuation discount	Discount factor of liquidity	10%-30%
Debt instruments at FVTOCI					
Bonds	$ 1,129,533	$ -	Taipei Exchange's quote or Bloomberg's quote	(Note 3)	-

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 international bonds listed in the OTC market lack liquidity, no observable liquidity reduction factor could be obtained. Therefore, no disclosure has been made.

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 Bank 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
Asset				
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
Asset				
Financial assets at fair value through profit or loss				
Financial assets mandatorily classified as at fair value through profit or loss	$ (15,743)	$ 15,743	$ -	$ -
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
Asset				
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, payables, deposits and remittances 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
Bank debentures	53,784,355	53,135,541

Items	December 31, 2023 Carrying Amount	Fair Value
Investments in debt instruments at amortized cost	$ 303,546,679	$ 295,595,153
Bank debentures	56,832,276	56,242,513

Items	September 30, 2023 Carrying Amount	Fair Value
Investments in debt instruments at amortized cost	$ 302,058,548	$ 289,324,000
Bank debentures	58,252,126	57,653,190

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	$ -
Bank debentures	53,135,541	999,908	26,380,633	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	$ -
Bank debentures	56,242,513	-	30,487,513	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	$ -
Bank debentures	57,653,190	1,999,990	29,898,200	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, securities sold under repurchase agreements, payables and other financial liabilities approximate their fair value because of the short maturity or the similarity of the carrying amount and future price.

b) Discounts and loans (including non-performing loans): The Group usually uses base rate (floating rate) as loan rate because it can reflect market rate. Thus, using its carrying amount to consider the probability of repossession and estimate its fair value is reasonable. Long-term loans with fixed rate should estimate its fair value by its discounted value of expected cash flow. Because this kind of loans is not significant in this item, using its carrying amount to consider the probability of repossession and estimate its fair value should be reasonable.

c) The investments in debt instruments at amortized cost: Debt instruments investments at amortized cost with quoted price in an active market are using market price as fair value; 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-year maturity are measured by discounted cash flow, using carrying value to assess fair value is reasonable.

e) Bank debentures: Bank debentures with quoted price in an active market are using market price as fair value; bank debentures with no quoted price in an active market are estimated by valuation methods or quotes from counterparties.

44. FINANCIAL RISK MANAGEMENT

a. Overview

The Group documents the risk management policies, including overall operating strategies and risks control philosophy. The Group’s 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 the Group’s policies are executed properly.

b. Risk management framework

The board of directors is the top risk supervisor of the Group. The board not only reviewed risk management policies and rules but also authorized management to be in charge of daily risk management work. The Bank has set up a risk management committee under the chairman of the Board to be responsible for the services above; the Bank 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.

The Bank complies with the sustainability policies of the competent authorities and SPH, 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 the Group’s 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.

The Bank 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

The Group 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.

The Group's 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.

The Group has 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

The Bank 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, the Bank 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

The Group 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, the Group 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 the Group 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, the Group has 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

The Group manages and identifies credit risks of debt investment through credit ratings by outsiders, credit qualities of the debt, regional conditions and counterparties' risks.

The Group carries out derivative instrument transactions with counterparties in financial industry which are almost above the investment level. The Group 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

The Group has 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, the Group supervises and manages 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

The Group manages 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

The Group 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

The Group 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 the Bank is abnormal.

On the basis of various credit asset evaluation benchmark days of the Group, 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

The Group adopts 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

The Group's definition of financial asset default is the same as financial asset credit impairment. If one or more of the following conditions are satisfied, the Group 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 the Group.

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 the Group. 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 the Bank, 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 the bank'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 the Bank.

d) Overdue and non-performing loans have not been recovered after more than 2 years from the maturity date.

The Bank 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, the Bank will take appropriate legal action.

7) Amendment to financial asset contract cash flows

The Group 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 the Group's 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, the Group 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).

The Group 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 the Group's ability to recover related contract payments.

8) Measurement of expected credit losses

For the purpose of measuring expected credit losses, the Group 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.

The Group provides 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, the Group takes 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.

The Bank 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 the Bank 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

The Bank 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. The Bank 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. The Bank 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. The Bank 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, the Bank's assessment of forward-looking information is appropriate, and is included in the Bank'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 RMB 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 the Bank 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

The Bank 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 the Group

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 the Group's 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. The Group maintains a diversified portfolio to limit its exposure to any geographic region, country or individual creditor and monitor its exposures continually. The Group's 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

d) Credit risk exposure rating

September 30, 2024	Principal				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	$ 866,735,962	$ 3,271,097	$ 5,516,995	$ 875,524,054	$ 1,438,197	$ 734,400	$ 621,130	$ 8,640,864	$ 11,434,591
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
Accounts receivable - factoring (Note 1)	6,524,529	-	-	6,524,529	4,328	-	-	111,924	116,252
Other receivables	44,987,498	103,606	185,482	45,276,586	14,253	12,546	126,994	125,757	279,550
Other financial assets (Note 2)	1,354	100	10,690	12,144	-	-	3,839	-	3,839
Debt instruments at fair value through other comprehensive income	342,436,462	-	-	342,436,462	61,077	-	-	-	61,077
Investment in debt instruments at amortized cost	319,079,699	-	-	319,079,699	25,400	-	-	-	25,400

December 31, 2023	Principal				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	$ 740,764,618	$ 2,669,069	$ 2,949,321	$ 746,383,008	$ 2,026,726	$ 483,054	$ 455,956	$ 6,906,949	$ 9,872,685
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
Accounts receivable - factoring (Note 1)	11,243,996	-	-	11,243,996	9,510	-	-	174,113	183,623
Other receivables	26,897,934	69,989	324,273	27,292,196	20,870	3,794	251,494	132,774	408,932
Other financial assets (Note 2)	460	127	6,480	7,067	-	-	1,998	-	1,998
Debt instruments at fair value through other comprehensive income	339,131,626	-	-	339,131,626	39,066	-	-	-	39,066
Investment in debt instruments at amortized cost	303,570,486	-	-	303,570,486	23,807	-	-	-	23,807

September 30, 2023	Principal				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	$ 768,567,414	$ 757,881	$ 4,098,701	$ 773,423,996	$ 2,571,945	$ 377,257	$ 588,808	$ 6,016,679	$ 9,554,689
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
Accounts receivable - factoring (Note 1)	10,934,757	-	-	10,934,757	9,143	-	-	179,541	188,684
Other receivables	27,664,434	48,010	3,934,735	31,647,179	25,328	1,721	255,271	132,878	415,198
Other financial assets (Note 2)	2,919	274	5,700	8,893	-	-	1,792	-	1,792
Debt instruments at fair value through other comprehensive income	307,139,071	-	-	307,139,071	36,523	-	-	-	36,523
Investment in debt instruments at amortized cost	302,082,873	-	-	302,082,873	24,325	-	-	-	24,325

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.

12) The allowance for loss of the Group

Change in allowance for discounts and loans

For the Nine Months Ended September 30, 2024	12-month 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	$ 2,133,204	$ 682,399	$ 700,573	$ 3,516,176	$ 15,739,985	$ 19,256,161
Changes due to financial instruments that have been recognized at the beginning of the period:						
To lifetime ECL	(12,549)	1,439,424	(90,426)	1,336,449	-	1,336,449
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	(2,461,812)	(144,776)	(198,366)	(2,804,954)	-	(2,804,954)
Purchased or originated new financial assets	2,020,587	157,524	55,105	2,233,216	-	2,233,216
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	-	-	(618,421)	(618,421)	(201,958)	(820,379)
Changes in model/risk parameters	(136,714)	(42,443)	(37,793)	(216,950)	-	(216,950)
Effect of exchange rate changes and others	49,684	2,635	143,247	195,566	45,126	240,692
Balance, September 30	$ 1,594,051	$ 958,551	$ 921,793	$ 3,474,395	$ 17,963,690	$ 21,438,085

For the Nine Months Ended September 30, 2023	12-month 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	$ 2,444,926	$ 285,934	$ 718,288	$ 3,449,148	$ 14,145,225	$ 17,594,373
Changes due to financial instruments that have been recognized at the beginning of the period:						
To lifetime ECL	(12,251)	961,118	(18,372)	930,495	-	930,495
From conversion to credit-impaired financial assets	(170,704)	(210,935)	507,638	125,999	-	125,999
To 12-month ECL	3,223	(182,837)	(40,522)	(220,136)	-	(220,136)
Derecognizing financial assets during the current period	(2,728,261)	(298,872)	(114,492)	(3,141,625)	-	(3,141,625)
Purchased or originated new financial assets	3,049,089	7,834	74,298	3,131,221	-	3,131,221
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	-	-	(386,557)	(386,557)	(41,744)	(428,301)
Changes in model/risk parameters	59,744	(26,987)	(1,389)	31,368	-	31,368
Effect of exchange rate changes and others	41,407	(11)	76,544	117,940	67,905	185,845
Balance, September 30	$ 2,687,173	$ 535,244	$ 815,436	$ 4,037,853	$ 14,639,934	$ 18,677,787

Changes in allowance for receivable

For the Nine Months Ended September 30, 2024	12-month ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Non-purchased or Originated Credit-impaired Financial Asset)	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	$ 34,046	$ 10,600	$ 275,488	$ 320,134	$ 422,781	$ 742,915
Changes due to financial instruments that have been recognized at the beginning of the period:						
To lifetime ECL	(244)	26,463	(6,059)	20,160	-	20,160
From conversion to credit-impaired financial assets	(15)	(14,696)	82,970	68,259	-	68,259
To 12-month ECL	50	(3,375)	(105)	(3,430)	-	(3,430)
Derecognizing financial assets during the current period	(27,755)	(120)	(21,819)	(49,694)	-	(49,694)
Purchased or originated new financial assets	15,144	73	11,342	26,559	-	26,559
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)	(196,914)	(198,418)	(123,096)	(321,514)
Changes in model/risk parameters	(828)	1,041	(872)	(659)	-	(659)
Effect of exchange rate changes and others	989	3	11,213	12,205	5,492	17,697
Balance, September 30	$ 21,387	$ 18,485	$ 155,244	$ 195,116	$ 354,694	$ 549,810

For the Nine Months Ended September 30, 2023	12-month ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Non-purchased or Originated Credit-impaired Financial Asset)	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	$ 41,372	$ 7,615	$ 255,185	$ 304,172	$ 393,951	$ 698,123
Changes due to financial instruments that have been recognized at the beginning of the period:						
To lifetime ECL	(182)	11,600	(5,835)	5,583	-	5,583
From conversion to credit-impaired financial assets	(132)	(8,532)	77,591	68,927	-	68,927
To 12-month ECL	66	(2,304)	(339)	(2,577)	-	(2,577)
Derecognizing financial assets during the current period	(29,572)	(1,560)	(17,221)	(48,353)	-	(48,353)
Purchased or originated new financial assets	25,147	7	29,534	54,688	-	54,688
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)	(56,915)	(57,212)	(78,479)	(135,691)
Changes in model/risk parameters	419	(240)	(1,209)	(1,030)	-	(1,030)
Effect of exchange rate changes and others	364	44	(171)	237	7,056	7,293
Balance, September 30	$ 37,481	$ 6,334	$ 280,620	$ 324,435	$ 431,752	$ 756,187

Note: The amounts of receivable include receivable and other financial assets are shown in Note 44,c.11)d).

Change in allowance for debt instrument at fair value through other comprehensive income

For the Nine Months Ended September 30, 2024	Credit Rating 12-months ECL	Credit Rating Lifetime ECL - Not Credit Impaired	Credit Rating Lifetime ECL - Credit Impaired	Total
Balance January 1	$ 39,066	$ -	$ -	$ 39,066
Purchased new debt instrument	13,061	-	-	13,061
Derecognized	(8,925)	-	-	(8,925)
Model/risk parameters changes	16,643	-	-	16,643
Effect of exchange rate changes and others	1,232	-	-	1,232
Balance September 30	$ 61,077	$ -	$ -	$ 61,077

For the Nine Months Ended September 30, 2023	Credit Rating 12-months ECL	Credit Rating Lifetime ECL - Not Credit Impaired	Credit Rating Lifetime ECL - Credit Impaired	Total
Balance January 1	$ 45,949	$ -	$ -	$ 45,949
Purchased new debt instrument	5,365	-	-	5,365
Derecognized	(6,351)	-	-	(6,351)
Model/risk parameters changes	(9,957)	-	-	(9,957)
Effect of exchange rate changes and others	1,517	-	-	1,517
Balance September 30	$ 36,523	$ -	$ -	$ 36,523

Change in allowance for debt instrument at amortized cost

For the Nine Months Ended September 30, 2024	Credit Rating 12-months ECL	Credit Rating Lifetime ECL - Not Credit Impaired	Credit Rating Lifetime ECL - Credit Impaired	Total
Balance January 1	$ 23,807	$ -	$ -	$ 23,807
Purchased new debt instrument	1,629	-	-	1,629
Derecognized	(2,356)	-	-	(2,356)
Model/risk parameters changes	8,610	-	-	8,610
Effect of exchange rate changes and others	(6,290)	-	-	(6,290)
Balance September 30	$ 25,400	$ -	$ -	$ 25,400

For the Nine Months Ended September 30, 2023	Credit Rating 12-months ECL	Lifetime ECL - Not Credit Impaired	Lifetime ECL - Credit Impaired	Total
Balance January 1	$ 16,774	$ -	$ -	$ 16,774
Purchased new debt instrument	9,257	-	-	9,257
Derecognized	(1,289)	-	-	(1,289)
Model/risk parameters changes	(1,302)	-	-	(1,302)
Effect of exchange rate changes and others	885	-	-	885
Balance September 30	$ 24,325	$ -	$ -	$ 24,325

13) The financial impact of credit risk mitigation policies

a) Collateral and other credit enhancements

The Group implements 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. The Group has 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 the Group 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, the Group 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 the Bank, and there was no significant change in the overall collateral quality on the balance sheet date.

b) Amount of collateral for impaired financial assets

The Group closely observes the value of the collateral of the financial instruments and considers 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 the Bank 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.

14) Management policies of collaterals assumed

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

There are no assumed collaterals of the Group as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively.

15) 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			Nonperforming 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			Nonperforming 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 ÷ Total loans.

For credit card business: Delinquency ratio = Overdue receivables ÷ Accounts receivables.

Note 3: For loan business: Coverage ratio = LLR ÷ NPL.

For credit card business: Coverage ratio = Allowance for credit losses ÷ 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**	
Items	**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 (finance container 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)	6,741,144	3.66
5	E Group (real estate development activities)	5,498,260	2.98
6	F Company (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 Group (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 the Bank'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

The Bank 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

The Bank 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 the Bank 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

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

The Bank 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 the Bank 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.

<u>The Bank</u>

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 the Bank 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.

The Bank 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.

The Bank

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 the Bank 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, the Bank 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.

The Bank

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 the Bank 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.

The Bank

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 the Bank (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 the Bank’s position denominated in NTD.

b) Maturity analysis of assets and liabilities of the Bank (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 the Bank'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. The Bank's net revenue and investment portfolio value may fluctuate when risk factors above change.

The main market risks that the Bank 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 the Bank 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, the Bank 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, the Bank supervises every loss limit and position at risk such as interest rate, exchange rate, equity security, spot trading and forward contract, option, future, swap, and related sensitivity information derived from spot trading to confirm that market risk exposure is accepted to the Bank.

The Bank separates its transactions into hedge and non-hedge on the basis of trading purposes. For hedge transactions, the Bank should measure hedge relations, risk management goals and hedge strategies. The Bank 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 the Bank; it determines every risk management procedure and limit on the basis of its operating strategy and the business environment.

The Bank 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, the Bank 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. The Bank 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

The Bank'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 the Bank. 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

The Bank 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

The Bank 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

The Bank assesses financial instruments once a day on the basis of information obtained from independent sources if market prices are acquirable. If the Bank 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 44 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. The Bank makes stress tests using a light scenario (change in interest rate ± 100 bp, change in securities ± 15% and change in exchange rate ± 3%) and serious scenario (change in interest rate ± 200 bp, change in securities ± 30% and change in exchange rate ± 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

The Bank 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 44 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. The Bank'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, the Bank 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 44 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, the Bank sets investment position limits and stop-loss limits. The limits are approved by the board of directors. Within the limit of authority, the Bank 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 44 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 the Bank'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, the Bank 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 of net interest revenue and economic value, the Bank 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. The Bank 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. The Bank established control policies related to equity instruments to make the risk within controllable range.

a) Strategies

The Bank 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

The Bank 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. The Bank 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. The Bank 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 the Bank 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.

The Bank has formulated a LIBOR conversion plan to deal with product business strategy adjustments, information system updates, financial instrument evaluation model adjustments, and related accounting or tax issues required to meet the reform of the interest rate benchmark. As of September 30, 2024, the Bank 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 one bond is 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 the Bank to basic interest rate risk. If the Bank 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 the Group 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)

The Bank 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. The Bank'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 the Bank, VaR refers to a fall in value of its holding position in a day, with a 99% confidence level. The Bank 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.

The Bank 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.

The Bank'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
Financial assets			
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
Financial liabilities			
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
Financial assets			
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
Financial liabilities			
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
Financial assets			
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
Financial liabilities			
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 the Bank 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 the Bank and exclude contingent assets and contingent liabilities.

Note 2: Interest rate-sensitive assets and liabilities mean the revenues or costs of interest-earnings 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 the Group 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 the Group retains the liabilities to repurchase the transferred financial assets at fixed price in the future period. The Group 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, the Group still bears the interest rate risk and credit risk thus, the Group does 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

The Group 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.

The Group 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 the Group 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 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	$ 26,559,949	$ -	$ 26,559,949	$ 18,416,763	$ 2,595,820	$ 5,547,366
Securities purchased under resell agreements	93,415,691	-	93,415,691	93,370,299	-	45,392
	$ 119,975,640	$ -	$ 119,975,640	$ 111,787,062	$ 2,595,820	$ 5,592,758

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	$ 30,222,600	$ -	$ 30,222,600	$ 18,416,763	$ 6,346,275	$ 5,459,562
Securities sold under repurchase agreements	65,113,675	-	65,113,675	65,103,661	-	10,014
	$ 95,336,275	$ -	$ 95,336,275	$ 83,520,424	$ 6,346,275	$ 5,469,576

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: Financial Instruments (Note)	Related Amount Not Netted on the Balance Sheet: Cash Received as Collaterals	Net Amount
Derivative instruments	$ 34,061,255	$ -	$ 34,061,255	$ 18,901,365	$ 5,007,622	$ 10,152,268
Securities purchased under resell agreements	66,804,814	-	66,804,814	66,793,010	-	11,804
	$ 100,866,069	$ -	$ 100,866,069	$ 85,694,375	$ 5,007,622	$ 10,164,072

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: Financial Instruments (Note)	Related Amount Not Netted on the Balance Sheet: Cash Collaterals Pledged	Net Amount
Derivative instruments	$ 39,953,077	$ -	$ 39,953,077	$ 18,901,365	$ 7,114,337	$ 13,937,375
Securities sold under repurchase agreements	26,173,587	-	26,173,587	26,169,014	4,573	-
	$ 66,126,664	$ -	$ 66,126,664	$ 45,070,379	$ 7,118,910	$ 13,937,375

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: Financial Instruments (Note)	Related Amount Not Netted on the Balance Sheet: Cash Received as Collaterals	Net Amount
Derivative instruments	$ 49,446,530	$ -	$ 49,446,530	$ 27,154,254	$ 5,902,889	$ 16,389,387
Securities purchased under resell agreements	55,253,091	-	55,253,091	55,247,883	-	5,208
	$ 104,699,621	$ -	$ 104,699,621	$ 82,402,137	$ 5,902,889	$ 16,394,595

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: Financial Instruments (Note)	Related Amount Not Netted on the Balance Sheet: Cash Collaterals Pledged	Net Amount
Derivative instruments	$ 45,021,927	$ -	$ 45,021,927	$ 27,154,254	$ 5,299,336	$ 12,568,337
Securities sold under repurchase agreements	35,067,434	-	35,067,434	34,894,728	112,752	59,954
	$ 80,089,361	$ -	$ 80,089,361	$ 62,048,982	$ 5,412,088	$ 12,628,291

Note: Including netting settlement agreements and non-cash financial collaterals.

45. CAPITAL MANAGEMENT

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 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.

The Group 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

The Group's capital adequacy ratio should meet the regulations announced by the authority. Also, the Group should maintain capital adequacy ratio by considering the Group's business scale, major operating strategy, risk condition, eligible capital structure, and future capital increase plan, etc. The Group reported to the authority regularly. Overseas subsidiaries' capital management is in accordance with local regulations.

The Group's capital maintenance is in accordance with the "Regulations Governing the Capital Adequacy and Capital Category of Banks", etc., and is managed by the Group's risk management and financing divisions.

46. CROSS-SELLING INFORMATION

The Bank charged SinoPac Securities for $8,650 and $6,085, respectively, for the nine months ended September 30, 2024 and 2023 for bonus as opening accounts as part of the cross-selling agreement.

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

The Bank charged SinoPac Leasing for $53 and $74, respectively, for the nine months ended September 30, 2024 and 2023 for bonus as part of the cross-selling agreement.

For other transactions between SPH and its subsidiaries, please refer to Note 40 and Table 2.

47. PROFITABILITY

Items		September 30, 2024	September 30, 2023
Return on total assets	Before income tax	0.66%	0.62%
	After income tax	0.54%	0.52%
Return on net worth	Before income tax	9.78%	10.12%
	After income tax	8.05%	8.42%
Profit margin		39.88%	41.09%

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) income tax represents income for the nine months ended September 30, 2024 and 2023.

48. OTHERS

On May 4, 2024, the Bank's board of directors, on behalf of the shareholders' meeting, resolved to acquire 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.

49. ADDITIONAL DISCLOSURES

a. Relevant information of material transaction:

No.	Item	Explanation
1	Acquired and disposed of investment at costs or prices of at least NT$300 million or 10% of the issued capital	None
2	Acquisition of individual real estates at costs of at least NT$300 million or 10% of the issued capital	None
3	Disposal of individual real estates at prices of at least NT$300 million or 10% of the issued capital	None
4	Allowance for service fee to related parties amounting to at least NT$5 million	None
5	Receivables from related parties amounting to at least NT$300 million or 10% of the issued capital	Table 1
6	Trading information - sale of non-performing loans	None
7	Financial asset securitization	None
8	Related parties transaction	Table 2
9	Other significant transactions which may affect the decisions of financial report users	None

b. Information related to subsidiary:

No.	Item	Explanation
1	Financing provided	None (Note)
2	Endorsements/guarantees provided	None (Note)
3	Marketable securities held	None (Note)
4	Acquisition and disposal of marketable securities at costs or prices of at least NT$300 million or 10% of the issued capital	None (Note)
5	Derivative transactions	Note 8

Note: Subsidiaries which belong to financial, insurance, securities industries and its main business registration include financing provided, endorsements/guarantees provided, acquisition and disposal of marketable securities do not need to disclose above information.

c. The related information and proportionate share in investees: Not required for disclosure in quarterly report.

d. Information on incorporate branches and investment in Mainland China: Table 3.

e. Information of major shareholders: Due to The Bank is not listed on the Exchange and OTC Banking, not required for disclosure.

50. OPERATING SEGMENT INFORMATION

Based on chief decision maker's resource allocation and department performance review, the Bank has divided the business segments based on the services and products provided, excluding subsidiary accounted under the equity method.

The accounting standards and policies apply to all the business segments in accordance with IFRS 8 "Operating Segments". The Bank's operating segments for the nine months ended September 30, 2024 and 2023 are without change. The Bank reports the following:

Domestic channels: Provide services and products through 124 branches (include Banking Division of the Head Office) and Corporate Financial Business Center.

Financial transaction: Provide investment and bonds transaction services through financial operation units.

Overseas branches: Provide services and products for overseas customers through overseas branches.

Other business segments: Include retail finance (formerly was consumer finance and automobile loan), SinoPac Insurance Brokers - the Bank's subsidiary and Bank SinoPac (China) Ltd. - the Bank's subsidiary were not identified to disclose as individual segments.

The Group's reporting segments revenue and operating result are shown in the following table.

Segment revenues and results

(In Thousands of New Taiwan Dollars)

		For the Nine Months Ended September 30, 2024						
		Domestic Branches	**Financial Transaction**	**Overseas Branches**	**Others**	**Operating Segments**	**Non-operating Segments**	**Total**
Income (loss)	Net interest revenue	$ 17,454,181	$ (667,039)	$ 3,022,954	$ 1,224,418	$ 21,034,514	$ (3,421,784)	$ 17,612,730
	Interest income	27,845,390	(14,654)	12,475,682	3,680,783	43,987,201	13,981,187	57,968,388
	Revenue amount segments	18,288,160	909,850	(4,102,650)	(647,339)	14,448,021	(14,448,021)	-
	Interest expenses	(28,679,369)	(1,562,235)	(5,350,078)	(1,809,026)	(37,400,708)	(2,954,950)	(40,355,658)
	Service fee and commissions income, net	9,359,952	(65,180)	910,399	603,268	10,808,439	(2,883,344)	7,925,095
	Others	604,386	2,658,265	636,949	1,275,516	5,175,116	5,348,967	10,524,083
	Net revenue	27,418,519	1,926,046	4,570,302	3,103,202	37,018,069	(956,161)	36,061,908
	Provisions for bad debts expense, commitment and guarantee liability	(1,368,151)	-	(491,125)	(538,276)	(2,397,552)	(8,094)	(2,405,646)
	Operating expenses	(13,729,229)	(465,769)	(1,615,634)	(2,030,978)	(17,841,610)	1,656,923	(16,184,687)
	Profit from continuing operations before tax	12,321,139	1,460,277	2,463,543	533,948	16,778,907	692,668	17,471,575
	Income tax expense	(2,154,468)	(255,343)	(430,773)	(128,274)	(2,968,858)	(121,853)	(3,090,711)
	Net income	10,166,671	1,204,934	2,032,770	405,674	13,810,049	570,815	14,380,864

Segment revenues and results

		For the Nine Months Ended September 30, 2023						
		Domestic Branches	**Financial Transaction**	**Overseas Branches**	**Others**	**Operating Segments**	**Non-operating Segments**	**Total**
Income (loss)	Net interest revenue	$ 16,108,969	$ (306,609)	$ 2,712,801	$ 1,080,520	$ 19,595,681	$ (2,202,796)	$ 17,392,885
	Interest income	24,238,645	63,211	10,233,085	3,364,626	37,899,567	14,410,512	52,310,079
	Revenue amount segments	17,705,497	839,898	(3,249,939)	(509,034)	14,786,422	(14,786,422)	-
	Interest expenses	(25,835,173)	(1,209,718)	(4,270,345)	(1,775,072)	(33,090,308)	(1,826,886)	(34,917,194)
	Service fee and commissions income, net	6,581,805	(48,443)	639,650	623,552	7,796,564	(2,067,958)	5,728,606
	Others	583,395	1,519,196	441,079	893,593	3,437,263	4,335,721	7,772,984
	Net revenue	23,274,169	1,164,144	3,793,530	2,597,665	30,829,508	64,967	30,894,475
	(Provisions for) reversal of bad debts expense, commitment and guarantee liability	(989,481)	-	(740,683)	(191,141)	(1,921,305)	733,172	(1,188,133)
	Operating expenses	(10,595,416)	(308,619)	(1,345,753)	(1,945,924)	(14,195,712)	(249,088)	(14,444,800)
	Profit from continuing operations before tax	11,689,272	855,525	1,707,094	460,600	14,712,491	549,051	15,261,542
	Income tax expense	(1,949,787)	(142,703)	(284,746)	(100,563)	(2,477,799)	(90,335)	(2,568,134)
	Net income	9,739,485	712,822	1,422,348	360,037	12,234,692	458,716	12,693,408

BANK SINOPAC 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 Period	Allowance for Bad Debts
					Amount	Action Taken		
Bank SinoPac	SinoPac Financial Holdings Company Limited	The parent company of the Bank	$ 1,055,679 (Note)	-	$ -	-	$ -	$ -

Note: Most of receivables resulted from the use of the linked-tax system (recognized in current income tax assets) and related parties.

BANK SINOPAC AND SUBSIDIARIES

RELATED PARTIES TRANSACTION
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Transaction Company	Counterparty	Nature of Relationship (Note 2)	Description of Transactions			
				Financial Statements Account	Transaction Amount	Transaction Item	Percentage of Consolidated Revenue/Assets (%) (Note 3)
0	Bank SinoPac	Bank SinoPac (China) Ltd.	a	Cash and cash equivalents, net	$ 1,392	Note 4	-
		Bank SinoPac (China) Ltd.	a	Receivables, net	100,698	Note 4	-
		Bank SinoPac (China) Ltd.	a	Deposits from the Central Bank and banks	24,043	Note 4	-
		SinoPac Insurance Brokers Ltd.	a	Deposits and remittances	78,311	Note 4	-
1	Bank SinoPac (China) Ltd.	Bank SinoPac	b	Cash and cash equivalents, net	24,043	Note 4	-
		Bank SinoPac	b	Deposits from the Central Bank and banks	1,392	Note 4	-
		Bank SinoPac	b	Payables	100,698	Note 4	-
2	SinoPac Insurance Brokers Ltd.	Bank SinoPac	b	Cash and cash equivalents, net	13,090	Note 4	-
		Bank SinoPac	b	Other financial assets, net	65,221	Note 4	-

Note 1: Transactions between parent company and subsidiaries should be distinguished as follows:

a. Parent company: 0.
b. Subsidiaries are numbered in sequence from 1.

Note 2: Types of transactions with related parties were classified as follows:

a. Parent company to subsidiaries.
b. Subsidiaries to parent company.
c. Subsidiaries to subsidiaries.

Types of transactions with related parties classified as category a, in the trading relationship and material intercompany transactions between parent company and subsidiaries above, are iXBRL reporting items which are based on the Taiwan Stock Exchange letter (Ref. No. 1030005380).

Note 3: In the computation of percentage of consolidated revenue/assets, 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 the amount of income or expense, the accounts percentage will be the amount dividing by the consolidated revenues in the same period.

Note 4: For the transactions between the Bank and related parties, the terms were similar to those for unrelated parties.

TABLE 3

BANK SINOPAC AND SUBSIDIARIES

INFORMATION ON INVESTMENT 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	Earnings (Losses) of Investee (Notes 2 and 3)	Percentage of Ownership (%)	Equity in the Earnings (Losses) (Notes 2 and 3)	Carrying Value (Notes 2 and 3)	Accumulated Inward Remittance of Earnings
					Outflow	Inflow						
Bank SinoPac (China) Ltd.	Commercial Bank	$ 10,252,555	a	$ 10,252,555	$ -	$ -	$ 10,252,555	$ 324,864	100	$ 324,158	$ 10,882,731	$ -

Accumulated Investment in Mainland China as of September 30, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Limit on Investment
$10,252,555 (US$323,871)	$10,252,555 (US$323,871)	$110,592,054

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: Earnings of investee, equity in the earnings and carrying value for the nine months ended September 30, 2024 have been reviewed by independent certified public accountants.

Note 3: Foreign currencies are translated to New Taiwan dollars with current rate of the date of balance sheet, only the gains or losses investments are translated with current period average rate.