Far Eastern International Bank Ltd. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2024 and 2023 and Independent Auditors' Report

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and the Shareholders
Far Eastern International Bank Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Far Eastern International Bank Ltd. (the "Bank") and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Bank and its subsidiaries as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China (FSC).

Basis for Opinion

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

Key Audit Matters

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

Key audit matters related to the Bank and its subsidiaries' consolidated financial statements for the year ended December 31, 2024 for the Bank and its subsidiaries, which are described as follows:

<u>Allowance for Expected Credit Losses on Loans</u>

As of December 31, 2024, the balance of loans in the aggregate amounted to NT$488,805,319 thousand, which accounted for 57% of the total assets of the consolidated financial statements; an amount that is deemed to be significant to the consolidated financial statements. Besides assessing expected credit losses on loans in accordance with IFRS 9 "Financial Instruments", the Bank complies with the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans and related regulations when assessing classification of credit assets and recognizing allowance for possible losses, and the higher amount of allowance for expected credit losses on loans is recognized. As the assessment on the impairment of loans involved the management's critical judgments in accounting estimation and the underlying assumptions, we deemed the allowance for expected credit losses on loans as a key audit matter. Refer to Note 5 to the consolidated financial statements for the critical accounting judgments and estimation uncertainty.

Refer to Notes 4, 5, 14 and 43 to the consolidated financial statements for disclosures related to impairment on loans.

The main audit procedures we performed in response to certain aspects of the key audit matter described above are as follows:

1. Understand and perform tests on the Bank's internal controls relevant to loans impairment assessment.

2. Verify whether the methodology, main assumptions and parameters (consider the probability of default, probability of loss given default and exposure at default on forward-looking information) adopted by the impairment model of expected credit losses adequately reflect the actual position and compliance with IFRS 9, and recalculate the amount of impairment.

3. Sample and review credit files to evaluate whether the loans are reasonably categorized per regulatory stipulation and recalculate for the correctness of the allowance.

Other Matter

We have also audited the parent company only financial statements of the Bank as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the FSC, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank and its subsidiaries' internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Bank and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Bank and its subsidiaries audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chun-Hung Chen and Chen-Hsiu Yang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 4, 2025

<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 audit such consolidated financial statements are those generally applied in the Republic of China.

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

FAR EASTERN INTERNATIONAL BANK LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	2024		2023	
ASSETS	**Amount**	**%**	**Amount**	**%**
ASSETS				
Cash and cash equivalents (Notes 6 and 38)	$ 20,587,193	3	$ 6,855,577	1
Due from the Central Bank and other banks, net (Notes 7 and 38)	43,705,701	5	41,011,820	5
Financial assets at fair value through profit or loss (Notes 4, 8, 38, 42 and 43)	53,134,114	6	40,846,407	5
Financial assets at fair value through other comprehensive income (Notes 4, 5, 9, 11, 21, 28, 39, 42 and 43)	59,536,214	7	64,259,784	8
Investment in debt instruments at amortized cost, net (Notes 4, 5, 10, 11, 21, 39, 42 and 43)	146,215,199	17	132,436,004	17
Securities purchased under resale agreements, net (Notes 4, 12 and 43)	3,434,968	1	2,240,685	-
Receivables, net (Notes 4, 5, 13 and 43)	18,553,830	2	19,208,528	3
Discounts and loans, net (Notes 4, 5, 14, 38 and 43)	488,805,319	57	467,728,161	59
Investment accounted for using the equity method (Notes 4, 15 and 28)	2,783,101	-	2,735,151	-
Other financial assets, net (Notes 16 and 39)	8,636,128	1	6,817,244	1
Property and equipment, net (Notes 4, 17 and 38)	5,195,387	1	5,139,531	1
Right-of-use assets, net (Notes 4, 18 and 38)	903,588	-	1,089,010	-
Intangible assets, net (Notes 4 and 19)	1,546,704	-	1,572,187	-
Deferred tax assets (Notes 4 and 36)	71,137	-	174,527	-
Other assets (Note 38)	354,467	-	389,876	-
TOTAL	$ 853,463,050	100	$ 792,504,492	100
LIABILITIES AND EQUITY				
LIABILITIES				
Due to the Central Bank and other banks (Notes 20 and 43)	$ 2,851,990	1	$ 1,489,494	-
Funds borrowed from the Central Bank and other banks (Notes 43 and 45)	1,163,333	-	133,333	-
Financial liabilities at fair value through profit or loss (Notes 4, 8, 38, 42 and 43)	8,729,116	1	8,397,692	1
Securities sold under repurchase agreements (Notes 4, 9, 10, 21, 43 and 45)	2,643,625	-	1,255,766	-
Payables (Notes 22 and 43)	15,328,617	2	5,830,924	1
Current tax liabilities (Note 4)	138,082	-	158,386	-
Deposits and remittances (Notes 23, 38 and 43)	698,869,200	82	660,747,761	84
Bank debentures (Notes 24, 42, 43 and 45)	16,901,900	2	16,901,900	2
Principal received on structured products (Note 43)	42,347,489	5	34,139,735	5
Other financial liabilities (Notes 25, 43 and 45)	1,229,329	-	2,128,161	-
Provisions (Notes 4, 26 and 38)	629,812	-	762,463	-
Lease liabilities (Notes 4, 18, 38, 43 and 45)	924,169	-	1,108,714	-
Other liabilities (Notes 4, 36 and 38)	456,599	-	575,351	-
Total liabilities	792,213,261	93	733,629,680	93
EQUITY ATTRIBUTABLE TO OWNERS OF THE BANK (Notes 4, 9, 15 and 28)				
Share capital	42,753,997	5	40,694,838	5
Capital surplus	302,926	-	302,926	-
Retained earnings				
Legal reserve	13,510,272	2	12,304,518	2
Special reserve	164,485	-	1,711,795	-
Unappropriated earnings	4,596,441	-	4,019,297	-
Total retained earnings	18,271,198	2	18,035,610	2
Other equity	(78,332)	-	(158,562)	-
Total equity	61,249,789	7	58,874,812	7
TOTAL	$ 853,463,050	100	$ 792,504,492	100

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

FAR EASTERN INTERNATIONAL BANK LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	2024		2023		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
INTEREST REVENUES (Notes 4, 29 and 38)	$ 19,845,562	154	$ 18,029,451	141	10
INTEREST EXPENSES (Notes 4, 18, 29 and 38)	13,924,519	108	11,524,413	90	21
NET INTERESTS	5,921,043	46	6,505,038	51	(9)
NET REVENUES AND GAINS OTHER THAN INTEREST					
Net service fee income (Notes 4, 30 and 38)	3,014,959	23	2,639,247	21	14
Gain on financial assets and liabilities at fair value through profit or loss (Notes 4, 31, 38 and 42)	2,934,657	23	2,680,211	21	9
Realized gain on financial assets at fair value through other comprehensive income (Notes 4, 9, 28 and 42)	209,789	2	181,405	1	16
Net foreign exchange gain (Note 4)	327,053	3	214,034	2	53
Share of profit of associates using the equity method (Notes 4 and 15)	152,484	1	98,052	1	56
Gain from bargain purchase (Notes 4 and 15)	-	-	193,188	1	(100)
Others (Note 4)	297,728	2	282,500	2	5
Total net revenues and gains other than interest	6,936,670	54	6,288,637	49	10
NET REVENUES	12,857,713	100	12,793,675	100	1
NET PROVISION FOR POSSIBLE LOSS ON BAD DEBTS EXPENSE, COMMITMENT AND GUARANTEE (Notes 4, 5, 13, 14, 16, 26 and 38)	139,568	1	540,238	4	(74)

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FAR EASTERN INTERNATIONAL BANK LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	2024		2023		Percentage Increase (Decrease)
	Amount	**%**	**Amount**	**%**	**%**
OPERATING EXPENSES					
Employee benefit expense (Notes 4, 27, 32, 33 and 38)	$ 4,685,075	36	$ 4,491,386	35	4
Depreciation and amortization (Notes 4, 17, 18, 19 and 34)	751,687	6	740,131	6	2
Other general and administrative expenses (Notes 18, 35 and 38)	2,411,455	19	2,314,848	18	4
Total operating expenses	7,848,217	61	7,546,365	59	4
INCOME BEFORE INCOME TAX	4,869,928	38	4,707,072	37	3
INCOME TAX EXPENSE (Notes 4 and 36)	572,738	5	532,863	4	7
NET INCOME FOR THE YEAR	4,297,190	33	4,174,209	33	3
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 9, 11, 15, 27, 28, 36 and 42)					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plans	33,915	-	(50,332)	-	167
Gain (loss) on valuation of investments in equity instruments at fair value through other comprehensive income	(42,557)	-	776,837	6	(105)
Share of other comprehensive income of associates for using equity method	5,273	-	664	-	694
Income tax benefit (expense) relating to items that will not be reclassified subsequently to profit or loss	(6,783)	-	10,067	-	(167)
	(10,152)	-	737,236	6	(101)

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FAR EASTERN INTERNATIONAL BANK LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	2024		2023		Percentage Increase (Decrease)
	Amount	**%**	**Amount**	**%**	**%**
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translating foreign operations	$ 109,147	1	$ (24,358)	-	548
Share of other comprehensive income (loss) of associates for using equity method	(35,615)	-	169,434	1	(121)
Gain on investments in debt instruments measured at fair value through other comprehensive income	80,685	-	506,108	4	(84)
Income tax benefit (expense) relating to items that may be reclassified subsequently to profit or loss	(7,119)	-	3,862	-	(284)
	147,098	1	655,046	5	(78)
Other comprehensive income for the year	136,946	1	1,392,282	11	(90)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 4,434,136	34	$ 5,566,491	44	(20)
NET INCOME ATTRIBUTABLE TO:					
Owners of the Bank	$ 4,297,190	33	$ 4,174,209	33	3
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of the Bank	$ 4,434,136	34	$ 5,566,491	44	(20)
EARNINGS PER SHARE (Note 37)					
Basic	$1.01		$0.98		
Diluted	$1.00		$0.97		

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

FAR EASTERN INTERNATIONAL BANK LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Shareholders of the Parent							
			Retained Earnings (Notes 9 and 28)			Others		
	Share Capital (Note 28)	Capital Surplus (Notes 4 and 28)	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations (Note 4)	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income (Notes 4, 9, 15 and 28)	Total Equity
BALANCE AT JANUARY 1, 2023	$ 40,694,838	$ 302,926	$ 11,206,638	$ 5,922	$ 4,467,881	$ (146,915)	$ (1,558,957)	$ 54,972,333
Appropriation of the 2022 earnings								
Legal reserve	-	-	1,097,880	-	(1,097,880)	-	-	-
Special reserve	-	-	-	1,705,873	(1,705,873)	-	-	-
Cash dividends - NT$0.4089 per share	-	-	-	-	(1,664,012)	-	-	(1,664,012)
	-	-	1,097,880	1,705,873	(4,467,765)	-	-	(1,664,012)
Net income for the year ended December 31, 2023	-	-	-	-	4,174,209	-	-	4,174,209
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	(42,546)	(20,496)	1,455,324	1,392,282
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	4,131,663	(20,496)	1,455,324	5,566,491
Disposal of investments in equity instruments at fair value through other comprehensive income (loss)	-	-	-	-	(112,482)	-	112,482	-
BALANCE AT DECEMBER 31, 2023	40,694,838	302,926	12,304,518	1,711,795	4,019,297	(167,411)	8,849	58,874,812
Appropriation of the 2023 earnings								
Legal reserve	-	-	1,205,754	-	(1,205,754)	-	-	-
Special reserve	-	-	-	(1,547,310)	1,547,310	-	-	-
Cash dividends - NT$0.5060 per share	-	-	-	-	(2,059,159)	-	-	(2,059,159)
Share dividends - NT$0.5060 per share	2,059,159	-	-	-	(2,059,159)	-	-	-
	2,059,159	-	1,205,754	(1,547,310)	(3,776,762)	-	-	(2,059,159)
Net income for the year ended December 31, 2024	-	-	-	-	4,297,190	-	-	4,297,190
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	29,603	102,028	5,315	136,946
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	4,326,793	102,028	5,315	4,434,136
Disposal of investments in equity instruments at fair value through other comprehensive income (loss)	-	-	-	-	27,113	-	(27,113)	-
BALANCE AT DECEMBER 31, 2024	$ 42,753,997	$ 302,926	$ 13,510,272	$ 164,485	$ 4,596,441	$ (65,383)	$ (12,949)	$ 61,249,789

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

FAR EASTERN INTERNATIONAL BANK LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 4,869,928	$ 4,707,072
Adjustments for:		
Depreciation	726,204	714,648
Amortization	25,483	25,483
Provision for loss on bad debt expenses, commitments and guarantees	666,655	992,680
Net valuation loss (gain) on financial assets and liabilities at fair value through profit or loss	(617,754)	36,292
Interest expenses	13,924,519	11,524,413
Interest revenues	(19,845,562)	(18,029,451)
Dividend revenue	(251,508)	(217,315)
Share of profit from associates	(152,484)	(98,052)
Unrealized net foreign exchange gain on assets and liabilities other than foreign currency cash and cash equivalents	(53,237)	(33,922)
Gain from bargain purchase	-	(193,188)
Other adjustments	1,237	5,451
Changes in operating assets and liabilities		
Increase in due from the Central Bank and other banks	(2,540,438)	(695,382)
Decrease (increase) in financial assets at fair value through profit or loss	(10,299,406)	5,788,949
Decrease in financial assets at fair value through other comprehensive income	5,787,159	13,786,916
Increase in investments in debt instruments at amortized cost	(12,729,254)	(31,693,920)
Decrease (increase) in receivables	802,083	(452,380)
Increase in discounts and loans	(17,811,377)	(30,668,124)
Increase in other financial assets - financial transaction margin	(1,234,464)	(854,608)
Increase (decrease) in due to the Central Bank and other banks	1,239,186	(5,387)
Increase (decrease) in financial liabilities at fair value through profit or loss	189,064	(297,609)
Increase (decrease) in payables	9,174,570	(188,351)
Increase in deposits and remittances	30,895,373	53,680,700
Increase in principal received on structured products	7,794,101	2,350,695
Decrease in other financial liabilities - financial transaction margin	(378,935)	(1,071,490)
Decrease in provisions for employee benefits	(63,304)	(70,743)
Increase (decrease) in other liabilities	(151,045)	2,662
Cash generated from operations	9,966,794	9,046,039
Interest received	19,689,024	17,727,672
Dividends received	232,158	216,846
Interest paid	(13,819,744)	(10,680,620)
Income tax paid	(506,596)	(660,939)
Net cash generated from operating activities	15,561,636	15,648,998

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FAR EASTERN INTERNATIONAL BANK LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments accounted for using the equity method	$ -	$ (426,147)
Acquisition of property and equipment	(371,663)	(681,376)
Proceeds from disposal of property and equipment	55	106
Increase in other financial assets	(391,528)	(1,179,222)
Decrease (increase) in other assets	41,212	(119,265)
Dividends received from associates	74,192	38,381
Net cash used in investing activities	(647,732)	(2,367,523)
CASH FLOWS FROM FINANCING ACTIVITIES (Note 45)		
Increase in funds borrowed from the Central Bank and other banks	1,030,000	133,333
Proceeds from the issuance of bank debentures	6,000,000	-
Repayments of bank debentures	(6,000,000)	(4,000,000)
Increase (decrease) in securities sold under repurchase agreements	1,277,327	(3,392,676)
Repayments of the principal portion of lease liabilities	(408,933)	(405,178)
Increase (decrease) in other financial liabilities	(523,666)	461,986
Cash dividends	(2,059,159)	(1,664,012)
Net cash used in financing activities	(684,431)	(8,866,547)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	849,869	21,945
NET INCREASE IN CASH AND CASH EQUIVALENTS	15,079,342	4,436,873
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	33,369,904	28,933,031
CASH AND CASH EQUIVALENTS, END OF THE YEAR	$ 48,449,246	$ 33,369,904

Reconciliation of the amounts in the consolidated statements of cash flows with the equivalent items reported in the consolidated balance sheets is as follows:

	December 31	
	2024	2023
Cash and cash equivalents in consolidated balance sheets	$ 20,587,193	$ 6,855,577
Due from the Central Bank and other banks that meet the IAS 7 definition of “cash and cash equivalents”	24,427,085	24,273,642
Securities purchased under resale agreements that meet the IAS 7 definition of “cash and cash equivalents”	3,434,968	2,240,685
Cash and cash equivalents in consolidated statements of cash flows	$ 48,449,246	$ 33,369,904

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

FAR EASTERN INTERNATIONAL BANK LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Far Eastern International Bank Ltd. (the "Bank") obtained its license on January 11, 1992 and started its business on April 11, 1992. The Bank (a) accepts deposits and extends loans and guarantees; (b) issues letters of credit, handles domestic and foreign remittances, and accepts commercial drafts; (c) invests in securities and acts as an agent for trading government bonds, corporate bonds and bank debentures; and (d) conducts relevant businesses that are authorized by the relevant authorities.

The operations of the Bank's Trust Department include pecuniary trust, securities trust, real estate trust, creditor's right of money or guarantee, movable property trust and ground right trust and related operations. These operations are regulated under the Banking Act and Trust Enterprise Act.

As of December 31, 2024, the Bank's operating units included the Business Department, International Banking Department, Trust Department, Credit Card Department, Offshore Banking Unit (OBU), and 54 domestic branches, as well as one branch offices (Hong Kong) and two representative offices (Ho Chi Minh City, Vietnam and Singapore).

The Bank's shares are listed on the Taiwan Stock Exchange. Global depositary receipts (GDR), which represent ownership of ordinary shares of the Bank, have been listed on the Luxembourg Stock Exchange since January 2014.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Bank's Board of Directors on March 4, 2025.

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

a. The Bank and its subsidiaries' initial application of the amendments to the Regulations Governing the Preparation of Financial Statements by Public Banks and 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) did not have a material impact on the Bank and its subsidiaries' 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)
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note 2)

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 entity 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.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025. An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

1) 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, an entity 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.

2) Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of classification of financial assets

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

- In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and

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

The Bank is continuously assessing whether to apply the amendments earlier.

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)
"Annual Improvements to IFRS Accounting Standards - Volume 11"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 18 "Presentation and Disclosures in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

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

The impact of the application of the following standards on the Bank and its subsidiaries is described as follows:

1) 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: An entity 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. An entity shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. An entity 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 an entity as a whole, an entity 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.

2) Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of derecognition of financial liabilities

The amendments mainly 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, an entity has initiated a payment instruction that resulted in:

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

- An 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.

An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application.

Except for the above impact, as of the date the financial statements were authorized for issue, the Bank and its subsidiaries are continuously assessing the other impacts of the above amended standards and interpretations on the Bank and its subsidiaries' 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 financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Statements by Public Banks and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

Basis of Preparation

The financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Current and Noncurrent Assets and Liabilities

Accounts included in the balance sheets are not classified as current or noncurrent since the major components of the financial statements are from the banking sector, whose operating cycle cannot be reasonably identified. Nevertheless, accounts are properly categorized in accordance with their nature and sequenced by their liquidity. Refer to Note 43 for the maturity analysis of liabilities.

Basis of Consolidation

a. Principles of preparing consolidated financial statements

The financial statements incorporate the financial statements of the Bank and its subsidiaries.

Account balances, income and expenses arising from intercompany transactions between the Bank and its subsidiaries have been eliminated upon consolidation.

b. Entities included in consolidated financial statements

Entities included in consolidated financial statements were as follows:

Investor Company	Investee Company	Nature of Businesses	% of Ownership December 31, 2024	% of Ownership December 31, 2023
The Bank	Far Eastern Asset Management Co., Ltd.	Purchase, evaluation, auction and management of rights of financial institution creditors	100	100
	Far Eastern International Securities Co., Ltd.	Foreign securities broker, wealth management and offshore fund consulting	100	100
Far Eastern Asset Management Co., Ltd.	FEIB Financial Leasing Co., Ltd.	Leasing operation	100	100

Foreign Currency

Foreign-currency assets and liabilities are recorded in their original currencies. Foreign-currency items in net income of domestic operating units are translated into New Taiwan dollars at prevailing exchange rates at the dates of the transactions. For overseas branches (including the OBU), foreign-currency items in net income from transactions settled in currencies other than the entity’s functional currency are translated into the entity’s functional currency at prevailing exchange rates at the dates of the transactions.

At the balance sheet date, foreign-currency monetary assets and liabilities are translated at prevailing exchange rates, and the exchange differences are recognized as gain or loss.

When foreign-currency assets and liabilities are settled, exchange differences arising from the application of different exchange rates are recognized as gain or loss for the current year.

The financial statements of foreign operations (including foreign branches, the OBU and foreign subsidiaries) are translated into New Taiwan dollars at the following exchange rates: Assets and liabilities - at exchange rates prevailing on the balance sheet date. The beginning balance of current year’s earnings of foreign branches and the OBU not yet remitted to the head office - the same as the ending balance of the prior years’ earnings; and Income and expenses - at average exchange rates for the period. Exchange differences arising from the translation of the financial statements of foreign branches and the OBU are recognized under other equity interest-exchange differences on translating foreign operations.

Investment Accounted for Using the Equity Method

Investments in associates are accounted for using the equity method of accounting.

An associate is an entity over which the Bank and its subsidiaries have significant influence and is not a subsidiary. Significant influence is the power to participate in the financial and operating policy decisions of the investee without having control or joint control over those policies.

An investment in an associate is initially recognized at acquisition cost and adjusted thereafter to recognize the Bank and its subsidiaries’ share of the profit or loss and other comprehensive income of the associate. The Bank and its subsidiaries also recognize the other changes in the Bank and its subsidiaries’ share of equity of associates.

The fair value of the identifiable net assets and liabilities acquired by the Bank and its subsidiaries’ on the acquisition date, less the purchase price, is recorded as a bargain purchase gain for the current period.

Property and Equipment

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

Depreciation is recognized to allocation the cost of assets averagely less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each year, with the effect of any changes in estimate accounted for on a prospective basis.

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

Intangible Assets

Intangible assets acquired in a business combination are initially recognized at their fair value at the acquisition date. Subsequent to initial recognition, intangible assets with finite useful lives are reported 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. The residual value of an intangible asset with a finite useful life shall be assumed to be zero unless the Bank expects to dispose of the intangible asset before the end of its economic life. Intangible assets with indefinite useful lives are measured at cost less accumulated impairment loss.

Impairment of Property, Equipment, Right-of-use Assets and Intangible Assets

At the end of each reporting period, the Bank and its subsidiaries review the carrying amounts of their property, equipment, right-of-use assets and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Bank and its subsidiaries estimate the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units under a reasonable and consistent basis.

Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the asset 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.

When the recoverable amount increases in a subsequent period, the reversal of an impairment loss is recognized immediately in profit or loss. 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 for the asset or cash-generating unit in prior years.

Securities Purchased/Sold Under Resale/Repurchase Agreements

Securities purchased under resale agreements and securities sold under repurchase agreements are generally treated as collateralized financing transactions. Interest expenses and interest revenues are recognized on the accrual basis.

Financial Instruments

Financial assets and financial liabilities are recognized in the balance sheets when the Bank and its subsidiaries become a party to the contractual provisions of the instruments.

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 as expense.

<u>Financial assets</u>

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

a. The Bank and its subsidiaries own financial assets which are classified into the following specified categories:

   1) Financial assets at FVTPL

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

      Financial assets at FVTPL are subsequently measured at fair value, with any gain or loss arising on dividends, interest and re-measurement recognized in profit or loss. Fair value is determined in the manner described in Note 42.

   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 are measured at amortized cost, which equals to gross carrying amount determined using the effective interest method less any impairment loss.

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

      a) Purchased or originated credit-impaired financial assets, for which interest revenue is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such a financial asset; and

      b) Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

      A financial asset is credit impaired when significant financial difficulty of the issuer or the borrower; breach of contract; default; it is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization, the disappearance of an active market for that financial asset because of financial difficulties.

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

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gain and loss 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 at FVTOCI are recognized in profit or loss when the Bank's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b. Impairment of financial assets

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

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

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

The Bank evaluates possible losses on specific loans on the basis of the borrowers' financial situation, their ability to repay principals and interests, and the values of collaterals in accordance with "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/Nonaccrual Loans" (the "Regulations"). The Regulations require that loans should be categorized by collectability and specify the minimum allowance for possible losses and reserve for guarantee obligations using prescribed percentages; the higher amount of allowance for expected credit losses on loans is recognized.

When a loan or receivable is considered uncollectable, it may be written off on the approval of the Bank's Board of Directors or Managing Directors. The subsequent collections of written-off loans are credited against provision for possible losses.

c. Derecognition of financial assets

The Bank and its subsidiaries derecognize a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers substantially all the risks and rewards of ownership of the financial 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 an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

Equity instruments

Debt and equity instruments issued by the Bank and its subsidiaries 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. Instruments issued by the Bank and its subsidiaries are recognized at the proceeds received, net of direct issue costs.

Financial liabilities

a. Subsequent measurement

Except the following situation, all the 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 held for trading. Any gain or loss arising on remeasurement, including interest paid on the financial liability, is recognized in profit or loss.

2) Financial guarantee contracts

The financial guarantee contracts issued by the Bank which are not measured at FVTPL are measured at the higher of the allowance for the expected credit losses or the amortized amount after original recognition. Also, they are according to the "Regulations" issued by the FSC.

b. Derecognition of financial liabilities

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

Derivative financial instruments

Derivatives are initially recognized at fair value at the date 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. Derivative financial instruments do not apply hedge accounting are recognized as financial assets or liabilities held for trading. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; when the fair value of derivative financial instruments is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts that are within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract.

Levies

A levy imposed by a government is accrued as payables when the transaction or activity that triggers the payment of the levy occurs. If the obligating event occurs over a period of time, the liability is recognized progressively.

Provisions

Provisions are recognized when the Bank and its subsidiaries have a present obligation as a result of a past event, it is probable that the Bank and its subsidiaries will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Revenue Recognition

Interest revenue from discounts and loans is recorded on the accrual basis. For nonaccrual loans, interest revenues are recognized only when collections on these obligations are made.

Service fee income is recognized as loans are provided or services have been completed.

The points earned by customers under loyalty program are treated as multiple-element arrangements, in which consideration is allocated to the services and the award credits based on fair value through the eyes of the customer. The consideration is not recognized in earnings at the original sales transactions but at the time when the points are redeemed and the Bank’s obligation is fulfilled.

Service revenue is the consideration received for relevant services provided as agent in the execution of the order of the court; the income is recognized during the period of service.

When the Bank acquires non-performing loans from other financial institutions, revenue related to recovery of non-performing loans is recognized using the cost-recovery method.

Leases

The Bank and its subsidiaries assess whether or not an agreement is a lease or contains a lease on the date of the agreement.

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

Right-of-use assets are initially measured at cost. 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 depreciated using the straight-line method over the lease terms.

The lease payable is discounted at the lessee’s incremental borrowing rate of interest. 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, should remeasure 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.

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 plans are determined using the projected unit credit method. Service cost (including current service cost and net interest) are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gain and loss, and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

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

Income Tax

Income tax expense represents the sum of current tax expense and deferred tax expense. Income tax expense is recognized in profit or loss, except when it relates to items that are directly recognized in equity or other comprehensive income.

a. Current tax expense

   Income tax payable is based on taxable profit for the year and determined according to the applicable tax laws of each tax jurisdiction.

   According to the Income Tax Law 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 expense

Deferred tax expense represents adjustments to deferred tax assets and liabilities.

Deferred tax assets or liabilities are recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Bank and its subsidiaries expect, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities and assets 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 carrying amount of deferred tax assets is 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 assets to be recovered.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of accounting policies, management is required to make essential judgments, estimations, and assumptions on 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 management will review estimates and basic assumptions continuously. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Estimating impairment of financial assets

The estimate of impairment for receivables, discount and loans and investments in debt instruments is based on the assumptions about the probability of default and loss given default. The Bank uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Bank's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, see Note 43 where the actual future cash inflows are less than expect, a material impairment loss may arise.

6. CASH AND CASH EQUIVALENTS

	December 31, 2024	December 31, 2023
Cash on hand	$ 4,251,099	$ 4,087,627
Notes and checks for clearing (Note 22)	9,586,186	652,197
Deposits due from other banks	6,444,957	1,684,421
Balance with other banks	304,951	431,332
	$ 20,587,193	$ 6,855,577

7. DUE FROM THE CENTRAL BANK AND OTHER BANKS, NET

	December 31, 2024	December 31, 2023
Due from other banks, net	$ 14,788,115	$ 12,246,299
New Taiwan dollar reserve deposits - Type A	6,473,211	8,379,938
New Taiwan dollar reserve deposits - Type B	19,278,616	16,738,178
Foreign-currency reserve deposits	164,953	146,716
Due from the Central Bank - Interbank fund transfer account	3,000,806	3,500,689
	$ 43,705,701	$ 41,011,820

The reserve deposits are required by law and determined at a prescribed percentage of the monthly average balances. The Type B reserve deposits can be withdrawn only when the balances are adjusted monthly. The Type A and foreign-currency reserve deposits can be withdrawn on demand but bear no interest.

As of December 31, 2024 and 2023, due from the Central Bank and other banks falling in the definition of IAS 7 “cash and cash equivalents” (i.e. short-term, highly liquid investments, readily convertible to known amounts of cash and subject to an insignificant risk of changes in value); amounted to $24,427,085 thousand and $24,273,642 thousand, respectively, and were included in cash and cash equivalents in the statements of cash flows.

The accumulated impairment loss of the due from other banks was measured at an amount equal to the 12-month expected credit loss based on historical experience and forward-looking information.

8. FINANCIAL INSTRUMENTS AT FVTPL

Financial assets mandatorily classified as at FVTPL

	December 31, 2024	December 31, 2023
Non-derivative financial assets		
Government bonds	$ 9,856,260	$ 10,323,464
Shares listed on TWSE and TPEx	658,189	858,711
Beneficiary certificates	6,228	200,145
	10,520,677	11,382,320
Derivative financial assets		
Interest rate swap contracts	5,701,881	3,626,368
Foreign-currency swap contracts	3,667,364	3,475,637
Forward exchange contracts	355,128	361,648
Currency option contracts	137,528	88,884
Cross-currency swap contracts	128,033	13,746
Credit default swap contracts	55,948	101,245
Others	3,243	18,276
	10,049,125	7,685,804
Hybrid contract		
Asset swap fixed-income	22,888,183	17,895,451
Credit linked note contracts	7,064,292	3,238,842
Credit linked loan contracts	2,538,532	541,894
Convertible bonds	73,305	102,096
	32,564,312	21,778,283
Total financial assets classified as at FVTPL	$ 53,134,114	$ 40,846,407

Financial liabilities held for trading

	December 31, 2024	December 31, 2023
Derivative financial liabilities		
Interest rate swap contracts	$ 5,166,204	$ 3,026,804
Foreign-currency swap contracts	3,006,922	4,736,648
Cross-currency swap contracts	218,553	239,979
Currency option contracts	137,555	89,367
Forward exchange contracts	114,379	230,817
Others	85,503	74,077
Total financial liabilities at FVTPL	$ 8,729,116	$ 8,397,692

The Bank engages in derivative transactions mainly to accommodate customers' needs, manage its exposure positions and to accommodate its fund needs in different currencies.

Outstanding derivative contract (notional) amounts were as follows:

	December 31, 2024	December 31, 2023
Interest rate swap contracts	$ 374,852,462	$ 349,045,434
Foreign-currency swap contracts	319,200,618	369,496,212
Currency option contracts	52,979,358	36,320,101
Forward exchange contracts	25,288,170	27,856,041
Seller of credit default swap contracts	22,512,082	20,826,036
Cross-currency swap contracts	10,338,230	2,325,402
Interest rate option contracts	4,000,000	10,300,000
Government bond futures contracts	577,140	689,542
Non-deliverable forward contracts	525,642	347,959
Share index futures contracts	16,497	16,807

9. FINANCIAL ASSETS AT FVTOCI

	December 31, 2024	December 31, 2023
Investments in equity instruments	$ 3,611,815	$ 3,469,057
Investments in debt instruments	55,924,399	60,790,727
Total financial assets at FVTOCI	$ 59,536,214	$ 64,259,784

a. Investments in equity instruments

	December 31, 2024	December 31, 2023
Shares listed on TWSE and TPEx	$ 3,286,661	$ 3,203,816
Shares unlisted on TWSE and TPEx	325,154	265,241
Total investments in equity instruments	$ 3,611,815	$ 3,469,057

The above investments in equity instrument in the form of share for medium- and long-term strategic purposes and expects to make a profit through long-term investments. Therefore, the designated investments are selected to be measured at FVTOCI. The Bank recognized dividend revenue from equity instruments at FVTOCI as below:

	For the Year Ended December 31	
	2024	2023
Dividend revenue recognized in profit or loss		
On equity held at year end	$ 147,312	$ 153,746
On equity disposed of in current year	61,921	28,412
	$ 209,233	$ 182,158

Because of the management and adjustment of the investment portfolio and the liquidation of the investee company, the information about the disposal of equity instruments in the current year is as below:

	For the Year Ended December 31	
	2024	2023
Fair value at the date of disposal	$ 1,398,308	$ 685,181
Accumulated loss transferred to retained earnings due to disposal, net	$ 27,094	$ (112,513)

The Bank originally held the shares in Yuan Hsin Digital Payment Co., Ltd. The company obtained the approval of dissolution from the Ministry of Economic Affairs on January 31, 2023. The Bank originally recorded an accumulated unrealized valuation loss of 97,070 thousand under shareholders' equity - other equity, which was reclassified to the debit side of retained earnings in September 2023. The company was fully liquidated on September 30, 2024, and the Bank distributed liquidation proceeds amounting to $9,776 thousand.

b. Investments in debt instruments

	December 31, 2024	December 31, 2023
Government bonds	$ 21,635,455	$ 22,114,475
Bank debentures	13,685,038	14,808,467
Corporate bonds	11,132,686	14,700,239
Commercial paper	4,539,937	7,373,967
Collateralized mortgage obligation	2,972,543	1,793,579
Negotiable certificates of deposit	1,958,740	-
Total investments in debt instruments	$ 55,924,399	$ 60,790,727

For more information on credit risk management and impairment assessment of investments in debt instruments at FVTOCI, refer to Note 11. The assets pledged as collaterals are disclosed in Note 39.

The carrying amount of the bank debentures that have been issued under repurchase agreements (refer to Note 21 for related information) was as follows:

	December 31, 2024	December 31, 2023
Bank debentures	$ -	$ 84,988

10. INVESTMENT IN DEBT INSTRUMENT AT AMORTIZED COST, NET

	December 31, 2024	December 31, 2023
Negotiable certificates of deposits - issued by the CBC	$ 101,795,000	$ 95,600,000
Corporate bonds	15,949,493	12,248,395
Bank debentures	15,246,013	11,581,149
Government bonds	13,230,677	13,010,769
	146,221,183	132,440,313
Less: Accumulated impairment loss	5,984	4,309
	$ 146,215,199	$ 132,436,004

For the information on related financial assets' credit risk management and impairment at amortized cost, see Note 11.

The carrying amount of the government bonds that have been issued under repurchase agreements (refer to Note 21 for related information) were as follows:

	December 31, 2024	December 31, 2023
Government bonds	$ 2,686,545	$ 1,225,372

11. CREDIT RISK MANAGEMENT OF INVESTMENTS IN DEBT INSTRUMENTS

The policy which the Bank implements is to invest mainly in debt instruments with credit ratings above (and including) investment grade.

The Bank continued to track external rating information to monitor changes in credit risk of the investments in debt instruments and to review other information such as the bond yield curve and the debtor's material information to assess whether the credit risk of the debt instrument investments has increased significantly since the original recognition. The Bank considers the historical default loss rate announced by the independent rating agencies, the debtor's current financial status and the industry's forward-looking forecasts when measuring the expected credit loss of the debt instrument investments.

The investments in debt instruments are classified at FVTOCI and at amortized cost. The information of changes in total carrying amount was as follows:

December 31, 2024

	At FVTOCI	At Amortized Cost	Total
Total carrying amount	$ 56,766,708	$ 146,221,183	$ 202,987,891
Less: Accumulated impairment loss	7,429	5,984	13,413
Amortized cost	56,759,279	$ 146,215,199	202,974,478
Fair value adjustment	(834,880)		(834,880)
	$ 55,924,399		$ 202,139,598

December 31, 2023

	At FVTOCI	At Amortized Cost	Total
Total carrying amount	$ 61,714,826	$ 132,440,313	$ 194,155,139
Less: Accumulated impairment loss	8,534	4,309	12,843
Amortized cost	61,706,292	$ 132,436,004	194,142,296
Fair value adjustment	(915,565)		(915,565)
	$ 60,790,727		$ 193,226,731

The accumulated impairment loss of the investments in debt instruments was measured at an amount equal to the 12-month expected credit loss based on historical experience and forward-looking information. The information on changes in the allowance for accumulated impairment losses was as follows:

For the year ended December 31, 2024

	At FVTOCI	At Amortized Cost	Total
Beginning on January 1, 2024	$ 8,534	$ 4,309	$ 12,843
Impairment loss on the acquisition of new debt instruments for the current year	2,776	1,515	4,291
Derecognition	(4,056)	(106)	(4,162)
Exchange rate changes	67	53	120
Expected credit losses and other changes	108	213	321
Balance on December 31, 2024	$ 7,429	$ 5,984	$ 13,413

For the year ended December 31, 2023

	At FVTOCI	At Amortized Cost	Total
Beginning on January 1, 2023	$ 8,784	$ 1,404	$ 10,188
Impairment loss on the acquisition of new debt instruments for the current year	2,778	2,789	5,567
Derecognition	(3,272)	-	(3,272)
Exchange rate changes	5	1	6
Expected credit losses and other changes	239	115	354
Balance on December 31, 2023	$ 8,534	$ 4,309	$ 12,843

12. SECURITIES PURCHASED UNDER RESALE AGREEMENTS, NET

	December 31, 2024	December 31, 2023
Commercial paper	$ 1,813,574	$ 1,041,113
Negotiable certificates of deposit	1,622,266	1,000,000
Government bonds	-	200,182
	3,435,840	2,241,295
Less: Accumulated impairment loss	872	610
	$ 3,434,968	$ 2,240,685
Resale price	$ 3,439,938	$ 2,244,954
Resale date	2025.01.07-2025.01.22	2024.01.03-2024.01.29

The total carrying amounts shown above have been included as cash and cash equivalents in the statements of cash flows. The allowance for accumulated impairment loss was measured at an amount equal to the 12-month expected credit loss based on historical experience and forward-looking information.

13. RECEIVABLES, NET

	December 31, 2024	December 31, 2023
Credit card	$ 12,334,167	$ 12,326,803
Interest	1,882,123	1,703,104
Factoring	1,456,189	1,275,892
Buying debt receivables	1,091,148	1,718,881
Lease receivables	739,905	704,377
Spot exchange transactions	691,934	522,612
Acceptances	179,736	43,765
Proceeds from disposal of securities	9,542	768,375
Others	567,939	587,309
	18,952,683	19,651,118
Less: Allowance for possible losses	398,853	442,590
	$ 18,553,830	$ 19,208,528

The changes in the total carrying amount of receivables and other financial assets categorized by credit evaluation stage were as follows:

For the year ended December 31, 2024

	Stage 1 (Note 1)	Stage 2 (Note 2)	Stage 3 (Note 3)	Total Receivables and Other Financial Assets
Balance on January 1, 2024	$ 15,976,912	$ 88,098	$ 959,743	$ 17,024,753
Changes in financial instruments recognized at the beginning of the year:				
Transfer to Stage 2	(72,934)	60,041	(14)	(12,907)
Transfer to Stage 3	(202,666)	(33,615)	194,160	(42,121)
Transfer to Stage 1	8,979	(13,327)	(1,064)	(5,412)
Financial assets derecognized in the current period	(6,065,065)	(11,089)	(175,171)	(6,251,325)
Purchased or originated financial assets	6,351,069	9,948	9,636	6,370,653
Write-offs	(87,840)	(28,087)	(80,326)	(196,253)
Exchange rate and other changes	127,582	(734)	1,236	128,084
Balance on December 31, 2024	$ 16,036,037	$ 71,235	$ 908,200	$ 17,015,472

For the year ended December 31, 2023

	Stage 1 (Note 1)	Stage 2 (Note 2)	Stage 3 (Note 3)	Total Receivables and Other Financial Assets
Balance on January 1, 2023	$ 16,963,039	$ 80,179	$ 1,057,654	$ 18,100,872
Changes in financial instruments recognized at the beginning of the year:				
Transfer to Stage 2	(50,832)	55,421	(415)	4,174
Transfer to Stage 3	(103,861)	(15,916)	114,755	(5,022)
Transfer to Stage 1	7,750	(11,881)	(235)	(4,366)
Financial assets derecognized in the current period	(6,819,893)	(9,026)	(202,058)	(7,030,977)
Purchased or originated financial assets	6,053,621	10,395	40,519	6,104,535
Write-offs	(54,669)	(19,380)	(57,392)	(131,441)
Exchange rate and other changes	(18,243)	(1,694)	6,915	(13,022)
Balance on December 31, 2023	$ 15,976,912	$ 88,098	$ 959,743	$ 17,024,753

Note 1: 12-month ECLs (evaluate the receivables and other financial assets whose credit risk has not increased significantly since initial recognition).

Note 2: Lifetime ECLs (evaluate the receivables and other financial assets whose credit risk has increased significantly since initial recognition).

Note 3: Lifetime ECLs (evaluate impaired financial assets).

The changes in the allowance for possible loss of receivables and other financial assets categorized by credit evaluation stage were as follows:

For the year ended December 31, 2024

	12-Month Expected Credit Loss (Stage 1)	Lifetime Expected Credit Loss (Stage 2)	Lifetime Expected Credit Loss (Credit Impairment on Financial Assets) (Stage 3)	Impairment Under the Guidelines of IFRS 9	The Difference of Impairment under the Regulations	Total Allowance for Possible Losses
Balance on January 1, 2024	$ 21,874	$ 9,682	$ 283,123	$ 314,679	$ 128,015	$ 442,694
Changes in financial instruments recognized at the beginning of the year:						
Transfer to Stage 2	(84)	6,572	(12)	6,476	-	6,476
Transfer to Stage 3	(280)	(1,985)	38,917	36,652	-	36,652
Transfer to Stage 1	6	(2,288)	(310)	(2,592)	-	(2,592)
Financial assets derecognized in the current period	(3,948)	(1,461)	(43,625)	(49,034)	-	(49,034)
Purchased or originated financial assets	5,439	1,647	6,704	13,790	-	13,790
The difference of impairment under the Regulations	-	-	-	-	(7,772)	(7,772)
Write-offs	(87,840)	(28,087)	(80,326)	(196,253)	-	(196,253)
Exchange rate and other changes	79,316	24,344	51,810	155,470	-	155,470
Balance on December 31, 2024	$ 14,483	$ 8,424	$ 256,281	$ 279,188	$ 120,243	$ 399,431

For the year ended December 31, 2023

	12-Month Expected Credit Loss (Stage 1)	Lifetime Expected Credit Loss (Stage 2)	Lifetime Expected Credit Loss (Credit Impairment on Financial Assets) (Stage 3)	Impairment Under the Guidelines of IFRS 9	The Difference of Impairment under the Regulations	Total Allowance for Possible Losses
Balance on January 1, 2023	$ 20,072	$ 6,419	$ 370,551	$ 397,042	$ 76,596	$ 473,638
Changes in financial instruments recognized at the beginning of the year:						
Transfer to Stage 2	(14)	6,354	(56)	6,284	-	6,284
Transfer to Stage 3	(91)	(1,264)	32,048	30,693	-	30,693
Transfer to Stage 1	2	(1,134)	(28)	(1,160)	-	(1,160)
Financial assets derecognized in the current period	(10,102)	(842)	(43,714)	(54,658)	-	(54,658)
Purchased or originated financial assets	6,719	1,453	15,961	24,133	-	24,133
The difference of impairment under the Regulations	-	-	-	-	51,419	51,419
Write-offs	(54,669)	(19,380)	(57,392)	(131,441)	-	(131,441)
Exchange rate and other changes	59,957	18,076	(34,247)	43,786	-	43,786
Balance on December 31, 2023	$ 21,874	$ 9,682	$ 283,123	$ 314,679	$ 128,015	$ 442,694

14. DISCOUNTS AND LOANS, NET

	December 31, 2024	December 31, 2023
Negotiations, discounts and overdraft	$ 24,613	$ 18,578
Short-term loans	91,385,574	102,871,272
Medium-term loans	203,121,852	174,949,647
Long-term loans	200,473,319	195,747,734
Overdue receivable	145,407	236,771
	495,150,765	473,824,002
Less: Allowance for possible losses	6,345,446	6,095,841
	$ 488,805,319	$ 467,728,161

The details of the provision for possible losses on bad debts, commitment, guarantee and letters of credit issued were as follows:

	For the Year Ended December 31	
	2024	2023
Provision for possible losses - discounts and loans	$ 532,540	$ 872,869
Provision for possible losses - receivables and other financial assets	171,241	97,569
Provision for (reversal of) possible losses - commitment, guarantee obligations and letters of credit issued	(37,126)	22,242
Amounts recovered - discounts and loans	(371,198)	(308,264)
Amounts recovered - receivables and other financial assets	(155,889)	(144,178)
	$ 139,568	$ 540,238

The changes in the total carrying amount of discounts and loan categorized by credit evaluation stage were as follows:

For the year ended December 31, 2024

	Stage 1 (Note 1)	Stage 2 (Note 2)	Stage 3 (Note 3)	Total Discounts and Loans
Beginning on January 1, 2024	$ 471,090,267	$ 1,069,319	$ 1,664,416	$ 473,824,002
Changes of financial instruments recognized at the beginning of the year:				
Transfer to Stage 2	(611,917)	601,664	(996)	(11,249)
Transfer to Stage 3	(220,108)	(49,990)	255,715	(14,383)
Transfer to Stage 1	208,573	(234,524)	(3,135)	(29,086)
Financial assets derecognized in the current period	(133,150,313)	(680,395)	(357,223)	(134,187,931)
Purchased or originated financial assets	153,281,896	64,010	56,463	153,402,369
Write-offs	(93,631)	(56,342)	(168,553)	(318,526)
Exchange rate and other changes	2,476,527	1,159	7,883	2,485,569
Balance on December 31, 2024	$ 492,981,294	$ 714,901	$ 1,454,570	$ 495,150,765

For the year ended December 31, 2023

	Stage 1 (Note 1)	**Stage 2 (Note 2)**	**Stage 3 (Note 3)**	**Total Discounts and Loans**
Beginning on January 1, 2023	$ 440,758,644	$ 394,186	$ 2,929,494	$ 444,082,324
Changes of financial instruments recognized at the beginning of the year:				
Transfer to Stage 2	(1,014,621)	973,187	(1,998)	(43,432)
Transfer to Stage 3	(367,332)	(74,078)	355,804	(85,606)
Transfer to Stage 1	128,235	(144,870)	(1,528)	(18,163)
Financial assets derecognized in the current period	(123,140,883)	(57,996)	(826,724)	(124,025,603)
Purchased or originated financial assets	154,865,104	34,779	38,442	154,938,325
Write-offs	(90,016)	(57,229)	(832,946)	(980,191)
Exchange rate and other changes	(48,864)	1,340	3,872	(43,652)
Balance on December 31, 2023	$ 471,090,267	$ 1,069,319	$ 1,664,416	$ 473,824,002

Note 1: 12-month ECLs (evaluate the discounts and loans whose credit risk has not increased significantly since initial recognition).

Note 2: Lifetime ECLs (evaluate the discounts and loans whose credit risk has increased significantly since initial recognition).

Note 3: Lifetime ECLs (evaluate impaired financial assets).

The changes in the allowance of discounts and loan categorized by credit evaluation stage were as follows:

For the year ended December 31, 2024

	12-Month Expected Credit Loss (Stage 1)	**Lifetime Expected Credit Loss (Stage 2)**	**Lifetime Expected Credit Loss (Credit Impairment on Financial Assets) (Stage 3)**	**Impairment Under the Guidelines of IFRS 9**	**The Difference of Impairment Under the Regulations**	**Total Allowance for Possible Losses**
Beginning on January 1, 2024	$ 1,468,207	$ 86,926	$ 375,911	$ 1,931,044	$ 4,164,797	$ 6,095,841
Changes of financial instruments recognized at the beginning of the year:						
Transfer to Stage 2	(1,957)	62,550	(860)	59,733	-	59,733
Transfer to Stage 3	(960)	(16,995)	88,112	70,157	-	70,157
Transfer to Stage 1	653	(18,822)	(1,040)	(19,209)	-	(19,209)
Financial assets derecognized in the current period	(513,223)	(14,973)	(46,056)	(574,252)	-	(574,252)
Purchased or originated financial assets	230,249	29,391	30,474	290,114	-	290,114
The difference of impairment under the Regulations	-	-	-	-	1,034,737	1,034,737
Write-offs	(93,631)	(56,342)	(168,553)	(318,526)	-	(318,526)
Exchange rate and other changes	(410,517)	26,208	91,160	(293,149)	-	(293,149)
Balance on December 31, 2024	$ 678,821	$ 97,943	$ 369,148	$ 1,145,912	$ 5,199,534	$ 6,345,446

For the year ended December 31, 2023

	12-Month Expected Credit Loss (Stage 1)	Lifetime Expected Credit Loss (Stage 2)	Lifetime Expected Credit Loss (Credit Impairment on Financial Assets) (Stage 3)	Impairment Under the Guidelines of IFRS 9	The Difference of Impairment Under the Regulations	Total Allowance for Possible Losses
Beginning on January 1, 2023	$ 915,284	$ 105,986	$ 1,304,653	$ 2,325,923	$ 3,859,308	$ 6,185,231
Changes of financial instruments recognized at the beginning of the year:						
Transfer to Stage 2	(5,698)	64,186	(1,748)	56,740	-	56,740
Transfer to Stage 3	(1,715)	(21,909)	175,480	151,856	-	151,856
Transfer to Stage 1	141	(21,076)	(1,237)	(22,172)	-	(22,172)
Financial assets derecognized in the current period	(281,879)	(13,539)	(169,735)	(465,153)	-	(465,153)
Purchased or originated financial assets	651,377	14,979	15,865	682,221	-	682,221
The difference of impairment under the Regulations	-	-	-	-	305,489	305,489
Write-offs	(90,016)	(57,229)	(832,946)	(980,191)	-	(980,191)
Exchange rate and other changes	280,713	15,528	(114,421)	181,820	-	181,820
Balance on December 31, 2023	$ 1,468,207	$ 86,926	$ 375,911	$ 1,931,044	$ 4,164,797	$ 6,095,841

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31, 2024	December 31, 2023
Associates that are not individually material	$ 2,783,101	$ 2,735,151

At the board of directors' meeting held on August 29, 2023, the Bank resolved to acquire 7.52% of the shares of associate, Dah Chung Bills Finance Corp., from a third person for a total price of $425,967 thousand, which was settled on September 20, 2023. Therefore, a bargain purchase gain of $193,188 thousand was recognized. As of December 31, 2024, the Bank held 29.58% of the shares of Dah Chung Bills Finance Corp. and was the single largest shareholder. The Bank's shareholding ratio has no absolute difference compared with those of other shareholders, and the Bank does not control more than half of the seats in the board of directors, does not have the control power to dominate the related activities, and only has significant influence over the invested company. Therefore, Dah Chung is reported as an associate in the financial statements.

The share of the Bank and its subsidiaries in these associates' financial performance is summarized as follows:

	For the Year Ended December 31	
	2024	2023
Net income from continuing operations	$ 152,484	$ 98,052
Other comprehensive income (loss)	(30,342)	170,098
Total comprehensive income	$ 122,142	$ 268,150

16. OTHER FINANCIAL ASSETS, NET

	December 31, 2024	December 31, 2023
Nonaccrual loans other than discounts and loans	$ 907	$ 243
Less: Allowance for possible losses (Note 13)	578	104
	329	139
Refundable deposits	4,958,469	3,352,970
Less: Accumulated impairment loss	1,942	425
	4,956,527	3,352,545
Restricted time deposits (Note 39)	3,580,800	3,464,560
Time deposits with original maturities of more than 3 months	98,472	-
	$ 8,636,128	$ 6,817,244

The accumulated impairment loss of the refundable deposits was measured at an amount equal to the 12-month expected credit loss based on historical experience and forward-looking information.

17. PROPERTY AND EQUIPMENT, NET

For the year ended December 31, 2024

	Land	Buildings and Improvements	Computer Equipment	Transportation Equipment	Miscellaneous Equipment	Properties and Equipment Prepayment	Total
Cost							
Beginning balance	$ 3,460,213	$ 1,163,579	$ 2,717,240	$ 1,010	$ 1,570,220	$ 167,430	$ 9,079,692
Additions	-	955	222,877	57	34,441	113,333	371,663
Disposals	-	(13,864)	(12,349)	(105)	(17,067)	-	(43,385)
Others	-	(89)	110,296	-	7,158	(109,563)	7,802
Ending balance	3,460,213	1,150,581	3,038,064	962	1,594,752	171,200	9,415,772
Accumulated depreciation							
Beginning balance	-	676,032	1,943,453	970	1,319,706	-	3,940,161
Depreciation	-	23,892	234,952	30	57,457	-	316,331
Disposals	-	(13,834)	(12,347)	(105)	(16,747)	-	(43,033)
Others	-	(89)	5,783	-	1,232	-	6,926
Ending balance	-	686,001	2,171,841	895	1,361,648	-	4,220,385
Net ending balance	$ 3,460,213	$ 464,580	$ 866,223	$ 67	$ 233,104	$ 171,200	$ 5,195,387

For the year ended December 31, 2023

	Land	Buildings and Improvements	Computer Equipment	Transportation Equipment	Miscellaneous Equipment	Properties and Equipment Prepayment	Total
Cost							
Beginning balance	$ 2,724,488	$ 1,145,436	$ 2,556,920	$ 1,134	$ 1,568,976	$ 482,849	$ 8,479,803
Additions	368,125	17,460	136,515	-	59,013	100,263	681,376
Disposals	-	-	(15,938)	(124)	(63,678)	-	(79,740)
Others	367,600	683	39,743	-	5,909	(415,682)	(1,747)
Ending balance	3,460,213	1,163,579	2,717,240	1,010	1,570,220	167,430	9,079,692
Accumulated depreciation							
Beginning balance	-	650,026	1,739,327	1,078	1,328,799	-	3,719,230
Depreciation	-	26,006	220,262	16	54,562	-	300,846
Disposals	-	-	(15,937)	(124)	(63,652)	-	(79,713)
Others	-	-	(199)	-	(3)	-	(202)
Ending balance	-	676,032	1,943,453	970	1,319,706	-	3,940,161
Net ending balance	$ 3,460,213	$ 487,547	$ 773,787	$ 40	$ 250,514	$ 167,430	$ 5,139,531

The above items of property and equipment are depreciated on a straight-line basis over the following estimated useful lives:

Buildings and improvements	5 to 55 years
Computer equipment	3 to 7 years
Transportation equipment	3 to 7 years
Miscellaneous equipment	3 to 20 years

In order to build the Bank's headquarters office, the Bank resolved to acquire a parcel of land in Xinyi District, Taipei City, and participated in the planning of joint construction on the land at the board of directors' meeting held in November 2020. The total price for the land was $2,012 million, and the legal procedures for the land transfer were completed in January 2023. The Bank resolved to sign a construction base development project contract with Far Eastern Construction Co., Ltd. at the board of directors' meeting held in May 2024, and afterward the contract was signed in June 2024. The Bank will provide the land and capital, and Far Eastern Construction Co., Ltd. will provide plan, design, construction, construction management and construction manager services for the building on the construction site. The estimated value of the entrusted construction contract is $2,485 million. The Bank and the other landowners will allocate the construction costs in proportion of the space of the building base held. The Bank is expected to afford $486 million. The contract stipulates that if there is an additional construction costs, it will be limited to 15% of the original contract amount.

18. LEASE ARRANGEMENTS

The Bank and its subsidiaries lease property mainly for the use of the Bank's branches and offices within 2 to 20 years. Right-of-use assets, lease liabilities and recognition of depreciation expense and interest expense are as follows:

	December 31, 2024	December 31, 2023
Net carrying amount of right-of-use assets	$ 903,588	$ 1,089,010
Carrying amount of lease liabilities	$ 924,169	$ 1,108,714
The range of discount rate	0.83%-4.30%	0.83%-4.82%

	For the Year Ended December 31	
	2024	2023
Additions to right-of-use assets	$ 221,094	$ 549,029
Cash outflow for leases	$ 427,084	$ 423,038
Depreciation expense of right-of-use assets	$ 409,873	$ 413,802
Interest expense of lease liabilities	$ 12,374	$ 8,906
Other lease information		
Short-term lease expenses	$ 5,777	$ 8,954

The analysis of the total future payment maturity of the lease liability contracts is as follows:

	December 31, 2024	December 31, 2023
Within 1 year	$ 378,091	$ 382,286
1-3 years	355,105	540,664
More than 3 years	211,657	207,209
	$ 944,853	$ 1,130,159

19. INTANGIBLE ASSETS, NET

	December 31, 2024	December 31, 2023
Operation rights	$ 1,538,210	$ 1,538,210
Fair value of core deposits	428,887	428,887
Less: Accumulated amortization	420,393	394,910
	8,494	33,977
	$ 1,546,704	$ 1,572,187

In April 2010, the Bank acquired the assets and liabilities of Chinfon Bank's domestic branch Package B through a bidding process. The acquired operation rights of Chinfon Bank's branches have indefinite useful life, while the fair value of core deposits is amortized over 4 to 15 years.

After assessed the operation rights of branches is a franchise business right without definite useful life, and the operation rights are expected to generate net cash flows continuously; therefore, the operation rights are not amortized annually.

The Bank assesses the recoverable amount of the cash-generating unit of the operation rights for impairment on an annual basis. To reflect risks specific to the operation, the Bank estimated the recoverable amount based on the net fair value of the discounted future cash flows of the cash-generating unit based on the Bank's financial forecast, and no impairment was assessed for the years 2024 and 2023.

20. DUE TO THE CENTRAL BANK AND OTHER BANKS

	December 31, 2024	December 31, 2023
Call loans to banks	$ 2,835,802	$ 1,383,075
Due to banks	16,188	35,972
Bank overdrafts	-	70,447
	$ 2,851,990	$ 1,489,494

21. SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

	December 31, 2024	December 31, 2023
Government bonds (Note 10)	$ 2,643,625	$ 1,174,419
Bank debentures (Note 9)	-	81,347
	$ 2,643,625	$ 1,255,766
Repurchase price	$ 2,660,494	$ 1,261,101
Repurchase date	2025.01.06-2025.01.21	2024.01.01-2024.01.09

22. PAYABLES

	December 31, 2024	December 31, 2023
Notes and checks for clearing (Note 6)	$ 9,586,186	$ 652,197
Interest	1,932,271	1,831,265
Expenses	1,634,905	1,675,880
Accounts payable factoring	463,133	470,406
Securities settlement	339,462	196,810
Credit cards surplus	201,994	192,732
Acceptances	179,736	43,765
Credit card bill payable	148,140	96,178
Withholding tax payable	145,366	112,136
Taxes	137,136	127,711
Others	560,288	431,844
	$ 15,328,617	$ 5,830,924

23. DEPOSITS AND REMITTANCES

	December 31, 2024	December 31, 2023
Checking deposits	$ 3,470,926	$ 4,769,663
Demand deposits	122,111,872	116,578,286
Demand savings	109,447,517	104,501,099
Time savings	132,281,391	100,062,388
Negotiable certificates of deposit	16,588,500	32,332,500
Time deposits	314,919,606	302,443,179
Remittances	49,388	60,646
	$ 698,869,200	$ 660,747,761

24. BANK DEBENTURES

Domestic Bank Debentures

Item	Issuance Period	Note	December 31, 2024	December 31, 2023
Subordinated bank debentures - perpetual; first issue in 2018	2018.09.18-	Interest payable on September 18 each year fixed interest rate at 3.20%	$ 2,900,000	$ 2,900,000
General bank debentures - five-year maturity; first issue in 2019	2019.02.21-2024.02.21	Interest payable on February 21 each year fixed interest rate at 0.95%	-	2,500,000
Subordinated bank debentures - seven-year maturity; second issue in 2019	2019.07.30-2026.07.30	Interest payable on July 30 each year fixed interest rate at 1.15%	2,000,000	2,000,000
Subordinated bank debentures - ten-year maturity; second issue in 2019	2019.07.30-2029.07.30	Interest payable on July 30 each year fixed interest rate at 1.25%	2,000,000	2,000,000
General bank debentures - five-year maturity; third issue in 2019	2019.09.26-2024.09.26	Interest payable on September 26 each year fixed interest rate at 0.75%	-	3,500,000
Subordinated bank debentures - seven-year maturity; first issue in 2020	2020.11.26-2027.11.26	Interest payable on November 26 each year fixed interest rate at 0.75%	1,600,000	1,600,000
Subordinated bank debentures - seven-year maturity; first issue in 2021	2021.04.27-2028.04.27	Interest payable on April 27 each year fixed interest rate at 0.83%	2,400,000	2,400,000
General bank debentures - five-year maturity; first issue in 2024	2024.10.24-2029.10.24	Interest payable on October 24 each year fixed interest rate at 1.95%	5,000,000	-
General bank debentures - seven-year maturity; first issue in 2024	2024.10.24-2031.10.24	Interest payable on October 24 each year fixed interest rate at 2.00%	1,000,000	-
Subordinated bank debentures - seven-year maturity; 1-1 issue in 2005; acquired from Chinfon Bank	Matured on 2012.06.28	-	1,660	1,660
Subordinated bank debentures - seven-year maturity; 1-1 issue in 2002; acquired from Chinfon Bank	Matured on 2009.06.28	-	240	240
Total bank debentures			$ 16,901,900	$ 16,901,900

The Bank made a first issuance of perpetual non-cumulative subordinated bank debentures in 2018 in the amount of $2,900,000 thousand on September 18, 2018, with an interest rate of 3.20% payable once a year if the interest payment condition is met. After five years of issuance, the Bank has the right to redeem these bank debentures in advance under the authorities' regulation of issuance and permission. As of December 31, 2024, the Bank had not exercised the right of redemption.

The Bank made a first issuance of general bank debentures in 2024 in the amount of $6,000,000 thousand on October 24, which are categorized into two types based on maturity and interest rate, and the interest is fixed and payable once a year. Category A consists of $5,000,000 thousand with a five-year maturity and an annual interest rate of 1.95%, while Category B includes $1,000,000 thousand with a seven-year maturity and an annual interest rate of 2.00%.

25. OTHER FINANCIAL LIABILITIES

	December 31, 2024	December 31, 2023
Bank loan	$ 480,000	$ 920,000
Deposit received	428,004	843,371
Commercial paper	322,000	365,000
Less: Unamortized discount on commercial paper	675	210
	$ 1,229,329	$ 2,128,161
Interest rates		
Bank loan	2.07%-2.17%	1.95%-2.04%
Commercial paper	2.14%-2.17%	1.95%-2.07%

26. PROVISIONS

	December 31, 2024	December 31, 2023
Reserve for employee benefits liability - defined benefit plans (Note 27)	$ 414,237	$ 511,456
Reserve for obligations guarantee	163,578	145,214
Reserve for financing commitments	51,723	98,048
Reserve for letters of credit issued	274	7,745
	$ 629,812	$ 762,463

The changes in provision for losses on financing commitments, obligations guarantees, and letters of credit issued categorized by credit evaluation stage are as follows:

For the year ended December 31, 2024

	12-Month Expected Credit Loss (Stage 1)	Lifetime ECLs (Stage 2)	Lifetime ECLs (Credit Impairment on Financial Assets) (Stage 3)	Impairment Under the Guidelines of IFRS 9	The Difference of Impairment Under the Regulations	Total Provision for Losses on Financing Commitments, Obligations Guarantee and Letters of Credit Issued
Balance on January 1, 2024	$ 150,604	$ 12,459	$ 21,058	$ 184,121	$ 66,886	$ 251,007
Changes at the beginning of the year:						
Transfer to Stage 2	(5)	6,652	-	6,647	-	6,647
Transfer to Stage 3	-	-	256	256	-	256
Transfer to Stage 1	62	(10,815)	(139)	(10,892)	-	(10,892)
Financial assets derecognized in the current period	(74,831)	(1,429)	(20,919)	(97,179)	-	(97,179)
Purchased or originated	22,779	1,229	73	24,081	-	24,081
The difference of impairment under the Regulations	-	-	-	-	71,398	71,398
Exchange rate and other changes	(29,743)	-	-	(29,743)	-	(29,743)
Balance on December 31, 2024	$ 68,866	$ 8,096	$ 329	$ 77,291	$ 138,284	$ 215,575

For the year ended December 31, 2023

	12-Month Expected Credit Loss (Stage 1)	Lifetime ECLs (Stage 2)	Lifetime ECLs (Credit Impairment on Financial Assets) (Stage 3)	Impairment Under the Guidelines of IFRS 9	The Difference of Impairment Under the Regulations	Total Provision for Losses on Financing Commitments, Obligations Guarantee and Letters of Credit Issued
Balance on January 1, 2023	$ 85,542	$ 8,648	$ 21,079	$ 115,269	$ 113,256	$ 228,525
Changes at the beginning of the year:						
Transfer to Stage 2	(317)	9,128	(1)	8,810	-	8,810
Transfer to Stage 3	-	(20)	374	354	-	354
Transfer to Stage 1	6	(6,145)	(152)	(6,291)	-	(6,291)
Financial assets derecognized in the current period	(32,106)	(915)	(261)	(33,282)	-	(33,282)
Purchased or originated	71,457	2,953	15	74,425	-	74,425
The difference of impairment under the Regulations	-	-	-	-	(46,370)	(46,370)
Exchange rate and other changes	26,022	(1,190)	4	24,836	-	24,836
Balance on December 31, 2023	$ 150,604	$ 12,459	$ 21,058	$ 184,121	$ 66,886	$ 251,007

27. RETIREMENT BENEFIT PLANS

Defined contribution plans

The Bank and its subsidiaries make monthly contributions to employees' individual pension accounts in the Bureau of Labor Insurance for those who qualify a pension plan for the Labor Pension Act. Pension expenses were $146,395 thousand and $139,730 thousand for the years ended December 31, 2024 and 2023, respectively.

Defined benefit plans

Based on the defined benefit plan under the Labor Standards Law, pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Bank contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered, which are deposited in the Bank of Taiwan by the pension fund monitoring committee's name. The pension fund is managed by the Bureau of Labor Funds (the "Bureau") under the Ministry of Labor; the Bank has no right to influence the fund investment policy and strategy. Under the Labor Standards Act, before the end of each year, the Bank assesses the pension fund balance. If the balance is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Bank is required to fund the difference in one appropriation before the end of March of the next year.

The amounts of employee benefits included in the consolidated balance sheets were as follows:

	December 31, 2024	December 31, 2023
Present value of defined benefit obligation	$ 1,061,916	$ 1,078,526
Fair value of plan assets	(647,679)	(567,070)
Reserve for employee benefit liability	$ 414,237	$ 511,456

Movements in the defined benefit plan were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Employee Benefit
Balance at January 1, 2024	$ 1,078,526	$ (567,070)	$ 511,456
Service cost			
Current service cost	3,129	-	3,129
Net interest expense (revenue)	17,382	(9,814)	7,568
Recognized in profit or loss	20,511	(9,814)	10,697
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(46,715)	(46,715)
Actuarial loss - experience adjustments	16,968	-	16,968
Actuarial loss - demographic assumptions	13,109	-	13,109
Actuarial loss - changes in financial assumptions	(17,277)	-	(17,277)
Recognized in other comprehensive income	12,800	(46,715)	(33,915)
Contributions from the employer	-	(25,096)	(25,096)
Contributions from plan assets	(1,016)	1,016	-
Contributions from provisions	(48,905)	-	(48,905)
Balance at December 31, 2024	$ 1,061,916	$ (647,679)	$ 414,237
Balance at January 1, 2023	$ 1,039,710	$ (507,843)	$ 531,867
Service cost			
Current service cost	4,187	-	4,187
Net interest expense (revenue)	17,799	(9,558)	8,241
Recognized in profit or loss	21,986	(9,558)	12,428
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,501)	(1,501)
Actuarial loss - experience adjustments	24,489	-	24,489
Actuarial loss - changes in financial assumptions	27,344	-	27,344
Recognized in other comprehensive income	51,833	(1,501)	50,332
Contributions from the employer	-	(50,612)	(50,612)
Contributions from plan assets	(2,444)	2,444	-
Contributions from provisions	(32,559)	-	(32,559)
Balance at December 31, 2023	$ 1,078,526	$ (567,070)	$ 511,456

The calculation of the present value of the defined benefit obligation was carried out by qualified actuaries. The principal assumptions used in the actuarial valuations were as follows:

	December 31, 2024	December 31, 2023
Discount rates	1.90%	1.70%
Expected rates of salary increase	3.25%	3.25%

As concluded by the actuaries, the expected contribution to the plan for the next year is $19,627 thousand, and the average duration of the defined benefit obligation is 8.2 years.

Had there been a possible change in each of the significant actuarial assumptions and all other assumptions remained constant, the present value of the defined benefit obligation would have increased (decreased) as follows:

	December 31, 2024	December 31, 2023
Discount rates		
0.50% increase	$ (41,417)	$ (39,020)
0.50% decrease	$ 43,995	$ 41,366
Expected rates of salary increase		
0.50% increase	$ 43,204	$ 40,566
0.50% decrease	$ (41,099)	$ (38,668)

The sensitivity analysis presented above might not have been representative of the actual change in the present value of the defined benefit obligation because it was unlikely that the change in assumptions occurred in isolation of one another, i.e., some of the assumptions might have been correlated.

The Bank is exposed to the following risks on its defined benefit plans managed by the Bureau:

a. Risk on investment: The investment income of benefit plan assets affects the plan fair value and contribution status. That is, a higher investment income increases the fair value of plan assets and decreases net defined benefits liabilities (or increases net assets) and thus improves contribution status. In contrast, a lower investment income or investment loss is unfavorable to the contribution status of benefit the plan.

b. Risk on interest fluctuations: The discount rate used in calculating the present value of defined benefit obligations mainly pertains to the yields of the corporate bonds with the credit ratings of twAAA assigned by Taiwan Ratings. A decrease in discount rate will increase the present value of defined benefit obligations.

c. Risk on salary fluctuations: As the defined benefit obligation was determined by the salaries of plan members before their retirement, the expected increase in salary should then be considered in the calculation. Thus, an increase in the expected rate for salary increase will result in a rise in the present values of defined benefit obligations.

28. EQUITY

a. Share capital

Ordinary shares

	December 31, 2024	December 31, 2023
Authorized shares (in thousands)	5,500,000	5,500,000
Authorized capital	$ 55,000,000	$ 55,000,000
Issued and paid shares (in thousands)	4,275,400	4,069,484
Issued capital	$ 42,753,997	$ 40,694,838

Issued ordinary shares with par value of $10 are entitled to the right to vote and to receive dividends.

The Bank's shareholders held a meeting on June 19, 2024 and resolved to increase its capital by using its undistributed earnings of $2,059,159 thousand. As a result, the Bank issued 205,916 thousand ordinary shares at a par value of NT$10 and the record date for share dividends was September 2, 2024.

Global depository receipts

As of December 31, 2024, the outstanding GDRs were 232 thousand units, equivalent to 4,645 thousand ordinary shares.

b. Capital surplus

	December 31, 2024	December 31, 2023
Issuance of ordinary shares	$ 302,926	$ 302,926

According to the Company Law, the capital surplus arising from shares issued in excess of par may be used to offset a deficit, or, if the Bank has no deficit, distributed as cash dividends or transferred to capital (limited to a certain percentage of the Bank's paid-in capital and once a year).

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Bank's Articles of Incorporation (the "Articles"), in the case of surplus earnings after settlement of accounts for each fiscal year, the Bank shall recover all the losses incurred in the previous years, if any, before setting aside a legal reserve of thirty percent (30%) of the net profit and appropriating, according to law and regulations, a special reserve shall be retained and shall first be distributed to the dividends of preference shares. The remaining amount together with the accumulated retained profits of the last year and the reversals of special reserves are available for distribution as dividends for ordinary shares. The dividends for ordinary shares shall be distributed at least thirty percent (30%) of the remaining amount. The board of directors shall prepare the earnings distribution in accordance with the existing circumstances at the time, taking into account the future development plan of the Bank. Any allocation of cash dividend shall, in principle, be no less than 10% of the total dividends to be distributed that year.

The Banking Law provides that, unless legal reserve reached the Bank's paid-in capital, cash dividends are limited to 15% of paid-in capital.

Under the Company Law, legal reserve should be appropriated until it has reached the Bank's paid-in capital. This reserve may be used to offset a deficit. According to an amendment to the Company Law, when the Bank has no deficit and its legal reserve has exceeded 25% of its paid-in capital, the excess may be distributed in the form of shares or cash.

The appropriations of earnings for the 2023 and 2022, which were approved in the shareholders' meetings on June 19, 2024 and June 16, 2023, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (Dollars)	
	2023	2022	2023	2022
Cash dividends	$ 2,059,159	$ 1,664,012	$0.5060	$0.4089
Share dividends	2,059,159	-	0.5060	-

The appropriations of earnings for 2024 had been proposed by the Bank's Board of Directors on March 4, 2025. The appropriations and dividends per share were as follows:

	Appropriation of Earnings	Dividends Per Share (NT$)
Cash dividends	$ 2,137,700	$0.50
Share dividends	1,068,850	0.25

The appropriations of earnings for 2024 are subject to the resolution of the shareholders' meeting to be held on May 22, 2025.

d. Other equity items

Change in unrealized gain or loss on financial assets measured at FVTOCI:

	For the Year Ended December 31	
	2024	2023
Balance, beginning of year	$ 8,849	$ (1,558,957)
Recognized for the year		
Valuation gain or loss		
Debt instruments	81,240	505,355
Equity instruments	(42,557)	776,837
Share of other comprehensive income (loss) of associates for using the equity method	(32,813)	172,379
Loss (gain) debt instruments transferred to current loss (income) due to disposal	(555)	753
Other comprehensive income recognized for the year	5,315	1,455,324
Loss (gain) on equity instruments transferred to retained earnings due to disposal	(27,113)	112,482
Balance, ending of year	$ (12,949)	$ 8,849

29. NET INTERESTS

	For the Year Ended December 31	
	2024	2023
Interest revenues		
Loans	$ 14,617,515	$ 13,465,373
Bonds and bills	3,362,188	2,840,815
Credit cards	708,201	681,700
Due from other banks	483,430	446,424
Others	674,228	595,139
	19,845,562	18,029,451
Interest expenses		
Deposits	12,509,861	10,226,393
Structured products	967,277	752,195
Bank debentures	217,525	268,413
Others	229,856	277,412
	13,924,519	11,524,413
Net interests	$ 5,921,043	$ 6,505,038

30. NET SERVICE FEE INCOME

	For the Year Ended December 31	
	2024	2023
Service fee income		
Trustee business	$ 1,195,037	$ 930,863
Credit cards	1,094,514	1,079,252
Loan	636,645	642,024
Insurance commission	532,056	432,644
Brokering	276,050	181,248
Others	221,522	275,335
	3,955,824	3,541,366
Service fee expense		
Credit card reward fee	272,218	262,102
National credit card center fee	212,061	183,822
Visa and Master fee	169,447	179,857
Agency service fee	69,160	72,367
Interbank service fee	65,352	59,208
Credit investigation	25,850	27,273
Others	126,777	117,490
	940,865	902,119
Net service fee income	$ 3,014,959	$ 2,639,247

31. NET GAIN ON FINANCIAL ASSETS AND LIABILITIES AT FVTPL

	For the Year Ended December 31	
	2024	2023
Gain on disposal	$ 1,779,483	$ 2,371,435
Gain (loss) on valuation	617,754	(36,292)
Net interests revenues	495,145	309,911
Dividends	42,275	35,157
	$ 2,934,657	$ 2,680,211

32. EMPLOYEE BENEFIT EXPENSE

	For the Year Ended December 31	
	2024	2023
Salaries (Note 33)	$ 3,847,326	$ 3,659,196
Labor and health insurance	274,700	266,988
Post-employment benefits (Note 27)	157,092	152,158
Others (Note 33)	405,957	413,044
	$ 4,685,075	$ 4,491,386

33. EMPLOYEES' COMPENSATION AND REMUNERATION OF DIRECTORS

According to the Bank's Articles, from the Bank's income before income tax, remuneration of directors and employees' compensation, the Bank should retain 3.5% to 4.5% for employees' compensation and no greater than 1.5% for remuneration of directors. The appropriations of employees' compensation and remuneration of directors in cash for the years ended December 31, 2024 and 2023 that were resolved by the board of directors on March 4, 2025 and 2024, respectively.

Amount

	For the Year Ended December 31	
	2024	**2023**
Employees' compensation	$ 197,473	$ 193,214
Remuneration of directors	$ 65,824	$ 74,313

If there is a change in the amount between the actual distribution of employees' compensation and remuneration of directors and the recognized in the financial statements for the year ended December 31, 2024, the differences are recorded as a change in the accounting estimate and adjusted in the next year.

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

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

34. DEPRECIATION AND AMORTIZATION

	For the Year Ended December 31	
	2024	**2023**
Depreciation		
Property and equipment (Note 17)	$ 316,331	$ 300,846
Leased right-of-use assets (Note 18)	409,873	413,802
	$ 726,204	$ 714,648
Amortization - intangible assets (Note 19)	$ 25,483	$ 25,483

35. OTHER GENERAL AND ADMINISTRATIVE EXPENSES

	For the Year Ended December 31	
	2024	**2023**
Tax and government fees	$ 797,188	$ 733,007
Software	350,539	332,976
Marketing and advertising	313,991	318,981
Telecommunications	164,134	173,509
Others	785,603	756,375
	$ 2,411,455	$ 2,314,848

36. INCOME TAX EXPENSE

Income tax recognized in profit or loss

The major components of tax expenses were as follows:

	For the Year Ended December 31	
	2024	2023
Current tax expense		
Current period	$ 478,938	$ 506,452
Prior years	3,031	1,653
	481,969	508,105
Deferred tax expense		
Current period	90,764	27,439
Prior years	5	(2,681)
	90,769	24,758
	$ 572,738	$ 532,863

A reconciliation of accounting income and income tax expense recognized in profit or loss is as follows:

	For the Year Ended December 31	
	2024	2023
Income before income tax	$ 4,869,928	$ 4,707,072
Income tax expense calculated at the statutory rate	$ 986,700	$ 957,332
Income from offshore banking unit (OBU)	(512,323)	(491,371)
Tax-exempted income	(93,774)	(127,712)
Tax-exempted other items	(3,750)	9,672
Unrecognized deductible temporary differences	(55,945)	24,239
Additional income tax under the Alternative Minimum Tax Act	222,431	165,358
Overseas branch income tax	26,175	(3,921)
Adjustments for prior years' tax	3,036	(1,028)
Others	188	294
Income tax expense recognized in profit or loss	$ 572,738	$ 532,863

Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2024	2023
Income tax expense (benefit) of remeasurement of defined benefit plans	$ 6,783	$ (10,067)
Income tax expense (benefit) of exchange differences on translating foreign operations	7,119	(3,862)
	$ 13,902	$ (13,929)

The movements of deferred tax assets and liabilities

For the year ended December 31, 2024

Deferred Tax Asset	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Ending Balance
Temporary differences				
Allowance for possible losses in excess of the limit	$ 68,301	$ 53,477	$ -	$ 121,778
Defined benefit plans in excess of the limit	102,291	(12,660)	(6,783)	82,848
Unrealized gain or loss on financial instruments	(66,865)	(115,673)	-	(182,538)
Others	55,213	(8,800)	(7,119)	39,294
	158,940	(83,656)	(13,902)	61,382
Loss carryforwards	15,587	(5,832)	-	9,755
	$ 174,527	$ (89,488)	$ (13,902)	$ 71,137

Deferred Tax Liabilities (Recognized as Other Liabilities)	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Ending Balance
Temporary differences				
Income from equity investments in foreign company under the equity method	$ (43,167)	$ (1,281)	$ -	$ (44,448)

For the year ended December 31, 2023

Deferred Tax Asset	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Ending Balance
Temporary differences				
Allowance for possible losses in excess of the limit	$ 103,745	$ (35,444)	$ -	$ 68,301
Defined benefit plans in excess of the limit	106,373	(14,149)	10,067	102,291
Unrealized gain or loss on financial instruments	(97,822)	30,957	-	(66,865)
Others	55,543	(4,192)	3,862	55,213
	167,839	(22,828)	13,929	158,940
Loss carryforwards	11,862	3,725	-	15,587
	$ 179,701	$ (19,103)	$ 13,929	$ 174,527

Deferred Tax Liabilities (Recognized as Other Liabilities)	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Ending Balance
Temporary differences				
Income from equity investments in foreign company under the equity method	$ (37,512)	$ (5,655)	$ -	$ (43,167)

Unrecognized as deferred tax assets in respect of deductible temporary differences

	December 31, 2024	December 31, 2023
Allowance for possible losses in excess of the limit	$ 1,022,022	$ 1,301,745

Income tax assessments

The income tax returns of the Bank through 2022, except 2020, have been assessed by the tax authorities. The income tax returns of FEIS and FEAMC through 2022 have been assessed by the tax authorities.

37. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2024	2023
Basic EPS	$ 1.01	$ 0.98
Diluted EPS	$ 1.00	$ 0.97

The net income and weighted average number of ordinary shares outstanding for EPS calculation were as follows:

	For the Year Ended December 31	
	2024	2023
Net income attributable to owners of the Bank	$ 4,297,190	$ 4,174,209
Number of ordinary shares (in thousand shares)		
Weighted average number of ordinary shares in the computation of basic EPS	4,275,400	4,275,400
Effect of dilutive potential ordinary shares		
Employees' compensation	17,642	17,407
Weighted average number of ordinary shares used in the computation of diluted EPS	4,293,042	4,292,807

Employees' compensation for the current year should be considered in calculating the current year's weighted-average shares outstanding number of shares used for calculating diluted EPS. The dilutive effect of the potential shares should be included in the calculation of diluted EPS until the board meeting resolves the number of shares to be distributed as employees' compensation at their board meeting in the following year.

The weighted average number of ordinary shares outstanding for 2023 EPS calculation was retroactively adjusted to the issuance of stock dividends. The basic and diluted after-tax EPS were adjusted retrospectively as follows:

Unit: NT$ Per Share

	Before retrospective adjustment	After retrospective adjustment
Basic EPS	$ 1.03	$ 0.98
Diluted EPS	$ 1.02	$ 0.97

38. RELATED-PARTY TRANSACTIONS

The Bank and its subsidiaries had significant business transactions with the following related parties:

Related Party	Relationship with the Bank
Dah Chung Bills Finance Corp.	Association
Ding Ding Integrated Marketing Service Co.	Chairman is the vice-chairman of the Bank
Far Eastern Department Store Corp.	Chairman is the vice-chairman of the Bank
Yuan Ding Co., Ltd.	Chairman is the vice-chairman of the Bank
U-Ming Marine Transport Corp.	Chairman is the vice-chairman of the Bank
Far Eastern New Century Corp.	Chairman is the vice-chairman of the Bank
New Century InfoComm Tech Co., Ltd.	Chairman is the vice-chairman of the Bank
Far Eastern Ai Mai Co., Ltd.	Chairman is the vice-chairman of the Bank
Ding Ding Hotel Co., Ltd.	Chairman is the vice-chairman of the Bank
Far EasTone Telecommunications Co., Ltd.	Chairman is the vice-chairman of the Bank
Far Eastern Electronic Toll Collection Co., Ltd.	Chairman is the vice-chairman of the Bank
U-Ming Marine Transport (Singapore) Private, Ltd.	Chairman of parent company is the vice-chairman of the Bank
Yuan Long Stainless Steel Co.	Chairman of parent company is the vice-chairman of the Bank
Everest Textile Co., Ltd.	Chairman is a second-degree relative of the vice chairman of the Bank
Der Ching Investment Corporation	Chairman is a second-degree relative of the vice chairman of the Bank
Far Eastern International Leasing Corp.	Substantive related party
Pacific SOGO Department Stores Corp.	Substantive related party
Yuan Hsin Digital Payment Co., Ltd.	Substantive related party
Ya Tung Ready Mixed Concrete Co., Ltd.	Substantive related party
Oriental Securities Corporation	Substantive related party
Others	The Bank’s chairman, vice-chairman, director, managers, their second-degree relatives or substantive related party

The significant transactions and account balances with the above parties (in addition to those disclosed in other notes) are summarized as follows:

a. Notes and checks for clearing/notes and checks for clearing payable

	December 31, 2024	December 31, 2023
Far Eastern New Century Corp.	$ 9,207,000	$ 138,409
Der Ching Investment Corporation	200,000	-
Far Eastern Department Store Corp.	50,000	-
Ya Tung Ready Mixed Concrete Co., Ltd.	10,473	15,680
	$ 9,467,473	$ 154,089

b. Due from other banks

	Highest Balance in Current Year	Ending Balance	Interest Revenues	Interest Rates
Dah Chung Bills Finance Corp.				
For the year ended December 31				
2024	$ 1,000,000	$ 500,000	$ 4,225	1.37%-1.64%
2023	$ 1,000,000	$ 1,000,000	$ 2,545	1.25%-1.42%

c. Loans

Category	Number of Accounts and Related Party	Highest Balance in Current Year	Ending Balance	Normal Loans	Nonperforming Loans	Collateral	Transactions Terms Different from Those for Unrelated Parties
For the year ended December 31, 2024							
Consumer loans	Six individuals	$ 2,957	$ 1,679	$ 1,679	$ -	Unsecured loan	No significant difference
Loans for residential mortgage	Fifty five individuals	507,095	434,110	434,110	-	Real estate	No significant difference
Others	Yuan Long Stainless Steel Co	1,450,000	1,450,000	1,450,000	-	Real estate	No significant difference
	Everest Textile Co., Ltd.	948,422	583,534	583,534	-	Real estate	No significant difference
	Far Eastern International Leasing Corp.	700,000	700,000	700,000	-	Real estate	No significant difference
	Far Eastern Ai Mai Co., Ltd	450,000	450,000	450,000	-	Real estate	No significant difference
	Others (Note)	3,653,720	338,420	338,420	-	Real estate, certificates of deposits, shares listed on TWSE and TPEx and Other movable property	No significant difference
			$ 3,957,743	$ 3,957,743	$ -		
Allowance for possible losses			$ 41,748				
For the year ended December 31, 2023							
Consumer loans	Seven individuals	4,445	$ 2,957	$ 2,957	$ -	Unsecured loan	No significant difference
Loans for residential mortgage	Fifty four individuals	530,711	423,907	423,907	-	Real estate	No significant difference
Others	Yuan Long Stainless Steel Co.	1,450,000	1,250,000	1,250,000	-	Real estate	No significant difference
	Far Eastern Department Store Corp.	750,000	750,000	750,000	-	Shares listed on TWSE and TPEx	No significant difference
	Everest Textile Co., Ltd.	744,914	744,341	744,341	-	Real estate	No significant difference
	U-Ming Marine Transport Corp.	700,000	700,000	700,000	-	Shares listed on TWSE and TPEx	No significant difference
	Others (Note)	1,694,723	873,781	873,781	-	Real estate, certificates of deposits, shares listed on TWSE and TPEx and shares unlisted on TWSE and TPEx	No significant difference
			$ 4,744,986	$ 4,744,986	$ -		
Allowance for possible losses			$ 49,569				

Note: The individual amounts did not each exceed 10% of the total disclosure amount.

The information related to the above loans is as follows:

	For the Year Ended December 31 2024	2023
Interest revenues	$ 75,731	$ 64,221
Interest rate	1.68%-6.55%	1.60%-6.55%
Provision for (reversal of) possible losses	$ (7,821)	$ 7,204

d. Guarantees

Related Party	Highest Balance in Current Year	Ending Balance	Reserve for Guarantee Obligations	Interest Rate	Collateral
For the year ended December 31, 2024					
Yuan Ding Co., Ltd.	$ 30,000	$ 25,000	$ 250	0.80%	Shares unlisted on TWSE and TPEx
Ding Ding Hotel Co., Ltd.	15,000	10,000	100	0.80%	Shares unlisted on TWSE and TPEx
Others (Note)	30,000	-	-	0.60%	Real estate
		$ 35,000	$ 350		
For the year ended December 31, 2023					
Yuan Long Stainless Steel Co.	$ 60,000	$ 30,000	$ 300	0.60%	Real estate
Yuan Ding Co., Ltd.	30,000	30,000	300	0.80%	Shares unlisted on TWSE and TPEx
Ding Ding Hotel Co., Ltd.	15,000	15,000	150	0.80%	Shares unlisted on TWSE and TPEx
Others (Note)	340,480	-	-	0.30%-0.80%	Real estate
		$ 75,000	$ 750		

Note: The individual amounts did not each exceed 10% of the total disclosure amount.

e. Derivative instruments (Note 8)

Related Party	Derivative Instrument	Contract Period	Nominal Amount	Valuation Gain (Loss) For the Year Ended	Balance Sheet Items	Balance Sheet Balance
For the year ended December 31, 2024						
U-Ming Marine Transport (Singapore) Private, Ltd.	Interest rate swap contracts	2020.07.17-2028.01.10	$ 1,530,955	$ 18,487	Financial liabilities at FVTPL	$ 36,346
Far Eastern New Century Corp.	Forward exchange contracts	2024.12.13-2025.03.03	147,477	1,278	Financial assets at FVTPL	1,278
		2024.10.29-2025.03.31	1,349,318	(32,185)	Financial liabilities at FVTPL	32,185
For the year ended December 31, 2023						
U-Ming Marine Transport (Singapore) Private, Ltd.	Interest rate swap contracts	2020.07.17-2028.01.10	1,877,063	23,008	Financial liabilities at FVTPL	54,833
Far Eastern New Century Corp.	Forward exchange contracts	2023.11.06-2024.03.29	1,170,174	27,433	Financial assets at FVTPL	27,433
		2023.11.08-2024.03.21	168,955	(7,425)	Financial liabilities at FVTPL	7,425
Everest Textile Co., Ltd.	Forward exchange contracts	2023.12.28-2024.01.18	27,969	71	Financial assets at FVTPL	71
		2023.12.13-2024.01.12	129,087	(2,457)	Financial liabilities at FVTPL	2,457

f. Deposits

	December 31, 2024	December 31, 2023
Deposits of related parties (each account balance did not exceed 5% of total deposits)	$ 52,305,787	$ 51,106,374
Interest rate	0%-6.72%	0%-6.59%

	For the Year Ended December 31	
	2024	2023
Interest expenses	$ 678,922	$ 589,939

g. Acquisition of other assets

	For the Year Ended December 31	
	2024	2023
New Century InfoComm Tech Co., Ltd.	$ 6,378	$ 10,471

h. Acquisition of equipment

	For the Year Ended December 31	
	2024	2023
New Century InfoComm Tech Co., Ltd.	$ 21,055	$ 15,745

i. Lessee agreements

	For the Year Ended December 31	
	2024	2023
Acquisition of right-of-use assets		
Pacific SOGO Department Stores Corp.	$ 53,579	$ -
Yuan Ding Co., Ltd.	-	309,480
	$ 53,579	$ 309,480

	December 31, 2024	December 31, 2023
Carrying amount of lease liabilities		
Yuan Ding Co., Ltd.	$ 186,292	$ 292,821
Pacific SOGO Department Stores Corp.	48,872	-
	$ 235,164	$ 292,821

The Bank and its subsidiaries rented part of its office premises from Yuan Ding Co., Ltd. and Pacific SOGO Department Stores Corp. All the rent determinations and payment methods of leases are not significantly different from other normal business practices.

j. Service fee income

	For the Year Ended December 31	
	2024	2023
Far EasTone Telecommunications Co., Ltd.	$ 35,282	$ 28,772

k. Service fee expense

	For the Year Ended December 31	
	2024	2023
Ding Ding Integrated Marketing Service Co.	$ 128,631	$ 142,970
Far Eastern Department Store Corp.	18,720	20,909
Far Eastern Electronic Toll Collection Co.	13,029	10,780
	$ 160,380	$ 174,659

l. Operating expenses

	For the Year Ended December 31	
	2024	2023
Far Eastern Department Store Corp.	$ 75,047	$ 86,364
New Century InfoComm Tech Co., Ltd.	73,634	49,316
Pacific SOGO Department Stores Corp.	33,093	39,263
Yuan Ding Co., Ltd.	21,083	22,440
Ding Ding Hotel Co., Ltd.	14,041	13,746
Oriental Securities Corporation	9,217	10,819
	$ 226,115	$ 221,948

m. Others

At the Board of Directors' meeting held in March 2022, the Bank resolved to undertake the business of refund of the cards and the stored value in the cards after Yuan Hsin Digital Payment Co., Ltd. terminated its business. Yuan Hsin Digital Payment Co., Ltd. paid the Bank $16,000 thousand in full for future operating costs on December 30, 2022. The Bank recognized related service fee income of $15,607 thousand for the year ended December 31, 2023.

n. Compensation of key management personnel (Note 32)

	For the Year Ended December 31	
	2024	2023
Short-term employee benefits	$ 238,704	$ 238,312
Post-employment benefits	5,873	5,764
	$ 244,577	$ 244,076

39. PLEDGED ASSETS

	December 31, 2024	December 31, 2023
Financial assets at FVTOCI - Government bonds	$ 3,628,114	$ 3,577,607
Investment in debt instruments at amortized cost - negotiable certificates of deposits - issued by the CBC	2,400,000	2,400,000
Other financial assets - restricted time deposits	3,580,800	3,464,560
	$ 9,608,914	$ 9,442,167

The government bonds had been provided as the reserve for compensation of trust department as well as security deposits for provisional seizures of the debtors' properties. The negotiable certificates of deposits issued by the CBC had been pledged as collaterals to back the extension of intraday credit in the Central Bank's real-time gross settlement system. The balance of intraday credit and the amount of collateral may vary at any time. Restricted time deposits have been provided as collaterals for maximum daylight overdraft facilities of the CNY settlement account.

40. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in Note 43, the Bank's and its subsidiaries' contingent liabilities and commitments resulting from operating activities as of December 31, 2024 and 2023 are summarized as follows:

a. Balance sheets and income statements of trust accounts and the trust assets lists were as follows:

Balance Sheets of Trust Accounts

	December 31, 2024	December 31, 2023
Assets		
Deposits in banks	$ 12,081,120	$ 10,333,098
Accounts receivable	5,896	5,715
Funds	65,506,127	57,967,813
Equity shares	6,063,573	5,535,607
Bonds	11,545	7,198
Real estate, net		
Land	10,438,376	9,887,032
Building	211,312	272,729
Construction in progress	11,151,935	7,006,706
Intangible assets		
Superficies	-	13,471
Marketable securities in custody	9,005,489	7,988,797
Others	2,894,712	2,827,561
	$ 117,370,085	$ 101,845,727

(Continued)

	December 31, 2024	December 31, 2023
Liabilities		
Accounts payable	$ 3,260	$ 2,759
Income tax payable	425	349
Marketable securities in custody payable	9,005,489	7,988,797
Trust capital	107,115,382	92,035,823
Reserve and earnings		
Net income or loss for current period	2,849,738	1,283,753
Accumulated profit or loss	(1,604,244)	534,212
Exchange	35	34
	$ 117,370,085	$ 101,845,727

(Concluded)

Income Statements of Trust Accounts

	For the Year Ended December 31	
	2024	2023
Trust revenue		
Interest	$ 84,877	$ 74,098
Cash dividends	3,216,892	2,542,233
Realized capital gain - Funds	1,091,255	590,846
Realized capital gain - Ordinary shares	7,048	3,783
Unrealized capital gain - Funds	7,086	6,600
Unrealized capital gain - Ordinary shares	175,866	180,845
Unrealized capital gain - Bonds	-	2
	4,583,024	3,398,407
Trust expenses		
Management	58,286	50,579
Supervision	521	278
Service charges	166,725	239,916
Taxes	10,128	5,665
Realized capital loss - Funds	1,462,013	1,810,354
Realized capital loss - Ordinary shares	-	11
Unrealized capital loss - Funds	6,445	6,078
Unrealized capital loss - Ordinary shares	26,352	-
Unrealized capital loss - Bonds	932	256
	1,731,402	2,113,137
Net income before tax	2,851,622	1,285,270
Income tax	1,884	1,517
Net income	$ 2,849,738	$ 1,283,753

Trust Asset Lists

	December 31, 2024	December 31, 2023
Deposits in banks	$ 12,081,120	$ 10,333,098
Funds	65,506,127	57,967,813
Equity shares	6,063,573	5,535,607
Bonds	11,545	7,198
Accounts receivable	5,896	5,715
Real estate, net		
Land	10,438,376	9,887,032
Building	211,312	272,729
Construction in progress	11,151,935	7,006,706
Intangible assets		
Superficies	-	13,471
Marketable securities in custody	9,005,489	7,988,797
Others	2,894,712	2,827,561
	$ 117,370,085	$ 101,845,727

As of December 31, 2024 and 2023, funds amounting to $1,618,721 thousand and $1,569,973 thousand, respectively, had been recognized in the OBU's books as investment in overseas securities through the Non-discretionary Pecuniary Trust of the OBU.

41. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The significant financial assets and liabilities denominated in foreign currencies were as follows:

	December 31, 2024			December 31, 2023		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars	Foreign Currencies	Exchange Rate	New Taiwan Dollars
Financial assets						
Monetary items						
USD	$ 4,212,781	32.781	$ 138,099,174	$ 4,359,365	30.735	$ 133,985,083
CNY	2,725,215	4.476	12,198,062	2,469,454	4.331	10,694,464
AUD	497,087	20.383	10,132,224	500,000	21.003	10,501,400
EUR	277,009	34.137	9,456,118	149,187	34.033	5,077,266
HKD	1,036,924	4.222	4,377,582	1,929,257	3.934	7,590,083
JPY	20,367,432	0.210	4,275,124	18,590,828	0.217	4,039,787
ZAR	1,217,092	1.751	2,131,493	1,107,817	1.658	1,836,762
Financial liabilities						
Monetary items						
USD	4,137,782	32.781	135,640,632	4,284,312	30.735	131,678,329
CNY	2,754,121	4.476	12,327,446	2,468,522	4.331	10,690,428
AUD	491,511	20.383	10,018,570	500,137	21.003	10,504,277
EUR	278,422	34.137	9,504,355	149,122	34.033	5,075,054
JPY	20,155,951	0.210	4,230,734	18,602,298	0.217	4,042,279
HKD	981,153	4.222	4,142,134	1,855,117	3.934	7,298,399
ZAR	1,156,144	1.751	2,024,755	1,122,280	1.658	1,860,740

42. FINANCIAL INSTRUMENTS

a. Information of fair value

1) Overview

Fair value is defined as the price the trader collected or paid in an ordinary transaction for disposal or acquisition of assets or transfer of liabilities on the measurement date.

Financial instruments are initially recognized at fair value on transaction date (Normally, refer to transaction price). All financial instruments are subsequently measured at fair value on balance sheet date except for financial instruments which are valued at amortized cost.

2) Valuation principles of fair value measurement

When the Bank determines the fair value of financial instruments, they consider the market. If the market is active, then the fair value of the instruments will be consistent with quoted market prices. If the market is not active, then the fair value will be estimated by using a valuation model that is widely adopted by market participants or by referring to counterparties' parameters or to parameters based on conditions and quoted market prices of financial instruments that are similar to those of the Bank' instruments.

The parameters of valuation model used to measure fair value of financial instruments are observable data from market, such as OTC, Reuters and Bloomberg's offering price. The valuation department determines the scope of valuation model and assesses any uncertainty and its impact. In its assessment, the valuation department ensures the following:

a) The consistency and adequacy of the market parameters used in the valuation;

b) The appropriateness of the valuation model in light of the assumptions to be used, the internal control and risk management framework, and the degree of mathematical expertise required for an independent unit to make the valuation;

c) Reliability of price information and other parameters used in the valuation and any model adjustments to be made on the basis of current market conditions.

3) Credit risk valuation adjustment

In order to reflect the credit risk of the counterparty and the credit quality of the Bank, credit risk valuation adjustment is for financial instrument transactions made outside the stock exchange, namely the transactions made over-the-counter, which could be mainly divided into credit value adjustment and debit value adjustment. The definition is as follows:

a) Credit Value Adjustment (the "CVA") is the reflection of possibility that counterparty is likely to default and the possible loss that the counter party may not be able to reimburse entire market value. The CVA is calculated by multiplying the probability of default (the "PD") (under zero default rate of the Bank), loss given default (the "LGD") and exposure at default (the "EAD") of counterparty together.

b) Debit Value Adjustment (the "DVA") is the reflection of possibility that the Bank is likely to default and the uncertainly that the Bank may not be able to reimburse for the entire market value. The DVA is calculated by multiplying PD (under zero default rate of the counterparty), LGD and EAD of the Bank together.

The Bank follows the advice in "The disclosure guidelines of CVA and DVA under IFRS 13" issued by the TWSE. The Bank uses the appropriate ratio as the counterparty's LGD and PD, calculates the EAD based on the fair value method and incorporates credit risk adjustments into measuring the fair value of financial instruments.

4) The definition of measuring three levels of the fair value of financial instruments

a) Level 1

Level 1 inputs are observable inputs that reflect quoted prices for identical financial instruments in an active market. A market is active if it has these characteristics: Products traded in the market are homogeneous; willing buyers and sellers can be found immediately, and the price information is publicly available.

b) Level 2

Level 2 inputs are observable information other than quoted prices for identical assets or liabilities in active markets, including direct inputs (such as market prices) or indirect inputs (such as prices derived from market prices).

c) Level 3

Level 3 inputs are unobservable items, such as inputs derived through extrapolation or Interpolation, and thus cannot be corroborated by observable market data.

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

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

	December 31, 2024			
Financial Instruments	**Total**	**Level 1**	**Level 2**	**Level 3**
Non-derivative financial assets and liabilities				
Financial assets at FVTPL				
Bonds investments	$ 9,856,260	$ 9,856,260	$ -	$ -
Equity investments	658,189	658,189	-	-
Beneficiary certificates	6,228	6,228	-	-
Financial assets at FVTOCI				
Equity instruments	3,611,815	3,286,661	-	325,154
Debt instruments				
Bonds investments	49,425,722	49,425,722	-	-
Bills investments	6,498,677	-	6,498,677	-
Derivative financial assets and liabilities				
Financial assets at FVTPL	10,049,125	2,095	9,991,082	55,948
Financial liabilities at FVTPL	8,729,116	850	8,728,266	-
Hybrid contract				
Financial assets at FVTPL	32,564,312	73,305	32,491,007	-

Financial Instruments	December 31, 2023 Total	Level 1	Level 2	Level 3
Non-derivative financial assets and liabilities				
Financial assets at FVTPL				
Bonds investments	$ 10,323,464	$ 10,323,464	$ -	$ -
Equity investments	858,711	858,711	-	-
Beneficiary certificates	200,145	200,145	-	-
Financial assets at FVTOCI				
Equity instruments	3,469,057	3,203,816	-	265,241
Debt instruments				
Bonds investments	53,416,760	53,416,760	-	-
Bills investments	7,373,967	-	7,373,967	-
Derivative financial assets and liabilities				
Financial assets at FVTPL	7,685,804	678	7,583,881	101,245
Financial liabilities at FVTPL	8,397,692	1,060	8,386,119	10,513
Hybrid contract				
Financial assets at FVTPL	21,778,283	102,096	21,676,187	-

2) Fair value information levels transfers between Level 1 and Level 2

There was no transfer between Level 1 and Level 2 for the years ended December 31, 2024 and 2023.

3) Fair value measurement information of Level 3 financial instruments

a) Movements of Level 3 financial assets

For the Year Ended December 31, 2024

Item	Beginning Balance	Valuation		Increase in the Current Year		Decrease in the Current Year		Ending Balance
		Included in Profit or Loss	Included in Other Compre-hensive Income	Purchase or Issue	Transfer-in	Sale, Disposition or Settlement	Transfer-out from Level 3	
Financial assets at FVTPL	$ 101,245	$ (13,638)	$ -	$ 38,236	$ -	$ (69,895)	$ -	$ 55,948
Financial assets at FVTOCI	265,241	-	65,103	-	-	(5,190)	-	325,154
Total	$ 366,486	$ (13,638)	$ 65,103	$ 38,236	$ -	$ (75,085)	$ -	$ 381,102

For the Year Ended December 31, 2023

Item	Beginning Balance	Valuation		Increase in the Current Year		Decrease in the Current Year		Ending Balance
		Included in Profit or Loss	Included in Other Compre-hensive Income	Purchase or Issue	Transfer-in	Sale, Disposition or Settlement	Transfer-out from Level 3	
Financial assets at FVTPL	$ 51,032	$ 16,082	$ -	$ 73,560	$ -	$ (39,429)	$ -	$ 101,245
Financial assets at FVTOCI	259,368	-	15,690	-	-	(9,817)	-	265,241
Total	$ 310,400	$ 16,082	$ 15,690	$ 73,560	$ -	$ (49,246)	$ -	$ 366,486

b) Movements of Level 3 financial liabilities

For the Year Ended December 31, 2024

Item	Beginning Balance	Valuation Included in Profit or Loss	Increase in the Current Year		Decrease in the Current Year		Ending Balance
			Purchase or Issue	Transfer-in	Sale, Disposition or Settlement	Transfer-out from Level 3	
Financial liabilities at FVTPL-derivative financial liabilities	$ 10,513	$ -	$ -	$ -	$(10,513)	$ -	$ -

For the Year Ended December 31, 2023

Item	Beginning Balance	Valuation Included in Profit or Loss	Increase in the Current Year		Decrease in the Current Year		Ending Balance
			Purchase or Issue	Transfer-in	Sale, Disposition or Settlement	Transfer-out from Level 3	
Financial liabilities at FVTPL-derivative financial liabilities	$ 49,028	$(11,638)	$ -	$ -	$(26,877)	$ -	$ 10,513

c) Related information of significant unobservable parameters used to measure fair value

Level 3 financial instruments mainly consist of credit default swap and part of investment in equity instrument at FVTOCI which have single major unobservable parameters; quantitative information is as follows:

Measured at Fair Value Based on Repetition	Fair Value	Valuation Techniques	Significant Unobservable Parameters	Interval (Weighted-average)	Relationship Between Parameters and Fair Value
Derivative financial assets					
December 31, 2024	$ 55,948	Default probability model	Credit separation	0.45%-1.40%	The increase of credit separation decreases its fair value.
December 31, 2023	101,245	Default probability model	Credit separation	0.45%-1.60%	The increase of credit separation decreases its fair value.
Investments in equity					
December 31, 2024	318,258	Income approach - cash dividend discount method	Without open market marketable discount	19.29%	The increase of discount decreases its fair value
	6,896	Net asset value method	Net asset value	N/A	The increase of net asset value increases its fair value
December 31, 2023	253,007	Income approach - cash dividend discount method	Without open market marketable discount	19.38%	The increase of discount decreases its fair value
	12,234	Net asset value method	Net asset value	N/A	The increase of net asset value increases its fair value
Derivative financial liabilities					
December 31, 2023	10,513	Default probability model	Credit separation	0.45%-1.60%	The increase of credit separation decreases its fair value.

d) Valuation procedures for fair value measurements categorized within Level 3

The evaluation of financial instruments is from specific departments independent of the business unit or external experts evaluating report, ensuring the data source is independent, reliable, and consistent with other resources, reviewing the evaluation parameters regularly, updating the required input values, confirming whether correcting the valuation technique is necessary, and adjusting fair value if necessary to ensure the rationality in the evaluation results.

e) The sensitivity analysis of reasonably possible alternative assumptions for fair value measurements categorized within Level 3

The fair value of the Bank's financial instruments is evaluated as reasonable. Had the valuation parameters for financial instruments categorized within Level 3 been 0.01% higher/lower, the impact of fair value on the assets and liabilities would have been as follows:

Item	Impact on Gain and Loss			
	December 31, 2024		December 31, 2023	
	Favorable	Unfavorable	Favorable	Unfavorable
Assets				
Mandatorily at FVTPL	$ 2,687	$ (3,837)	$ 1,240	$ (5,054)
Liabilities				
Financial liabilities at FVTPL	-	-	320	(320)

Item	Impact on Other Comprehensive Income and Losses			
	December 31, 2024		December 31, 2023	
	Favorable	Unfavorable	Favorable	Unfavorable
Assets				
Financial assets at FVTOCI	$ 77	$ (77)	$ -	$ (59)

c. Fair value information - financial instruments not measured at fair value

The Bank considers that the carrying amount of financial assets and liabilities which not measured at fair value is close to fair value, except for the carrying amount of those measured at cost and of the items below:

December 31, 2024

	Carrying Amount	Fair Value	The Fair Value Hierarchy of Financial Instruments	
			Level 1	Level 2
Financial asset				
Investments in debt instrument at amortized cost	$ 146,215,199	$ 146,255,798	$ 44,342,991	$ 101,912,807
Financial liabilities				
Bank debentures	16,901,900	16,907,996	-	16,907,996

December 31, 2023

	Carrying Amount	Fair Value	The Fair Value Hierarchy of Financial Instruments	
			Level 1	Level 2
Financial asset				
Investments in debt instrument at amortized cost	$ 132,436,004	$ 132,370,577	$ 36,735,457	$ 95,635,120
Financial liabilities				
Bank debentures	16,901,900	16,912,749	-	16,912,749

For the valuation methods and assumptions for Level 2 financial instruments in the table above, negotiable certificates of deposit of investments in debt instruments at amortized cost are calculated by discounting future cash flows using the TAIBIR which is provided by the TDCC, and the bank debentures are estimated based on the public price information on the OTC exchange.

43. FINANCIAL RISK MANAGEMENT

a. Overview

The Bank's risk management policy is to form a risk management-oriented culture, use both qualitative (such as each operating procedure), quantitative (such as asset quality ratios) indexes from internal and external risk management regulations and set relevant risk appetites in developing operating strategies.

The Bank has set up an independent risk control department to implement and monitor risk management policies. The Bank's risk management policies are established to identify and measure the risks faced by the Bank, to set appropriate risk limits and controls, to monitor risks and adherence to limits, and to maximize shareholder value and achieve sustainable development goals of the enterprise.

Each subsidiary has its own risk management mechanism to identify, measure, monitor, and control the credit risk, liquidity risk, and market risk.

b. Risk management framework

The Board of Directors, the highest decision-making unit of the Bank, has overall responsibility for the establishment and oversight of the Bank's risk management framework.

The Assets and Liabilities Management Committee and the Risk Management Committee have been formed to examine and manage the Bank's risks, assess the execution of risk management policies and evaluate risk tolerance. The general manager is the convener and is responsible for designating relevant department heads to serve as committee members.

The Risk Management Group comprises the Risk Control Department, Corporate Banking Department and Retail Banking Department, which directly manage financial risks in their respective areas and present risk management report to the Risk Management Committee and the Board of Directors regularly. The Internal Audit Group undertakes regular reviews of risk management controls and procedures, including risk management framework and operating procedures for risk management, and provides timely suggestions for improvements.

c. Credit risk management

1) Definition and scope of credit risk

Credit risk is the risk of financial loss to the Bank if a borrower, issuer or counterparty to a financial instrument fails to meet its contractual obligations due to its credit deterioration or other factors, such as a dispute between the borrower and its counterparty.

Credit risk includes all risks derived from on- and off-balance sheet business, and all credit risk related to products, businesses and positions.

2) Management policies on credit risk

The Bank shall identify risk factors and consider appropriate risk evaluation and control process prior to taking the existing or new business. For all credit risks identified on- and off-balance sheet, adequate credit limits are set based on the same borrower, counterparty, related party, group, or industry. The Bank shall establish review mechanism to track and assess changes in each borrower's or issuer's financial position; regularly assess and manage asset quality, also strengthen the management of unusual borrowers.

3) The credit risk management processes and valuation methods for credit extension are as follows:

a) The credit risk has increased significantly after original recognition

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

<u>Qualitative Index</u>

The debtor's payment is overdue for 30-89 days.

<u>Quantitative Index</u>

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

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

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

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

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

<u>Qualitative Index</u>

The debtor's payment is overdue for more than 90 days.

Quantitative Index

If there is any evidence indicates that the debtor can not pay the contract, or the debtor is in a material financial difficulties as follows:

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

ii. The debtor has conformed to a non-performed loan by authorities.

iii. The debtor has conducted a negotiation of debts or self-negotiating.

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

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

If the financial assets have not conformed to the definition of default and credit impairment on financial assets for 6 consecutive months, it would not be classified as a default and credit impairment on financial assets.

c) Measurement of expected credit loss

i. Loan and receivables

The Bank considers both the 12-month and lifetime probability of default ("PD") of the borrower with the loss given default ("LGD"), multiplying, the exposure at default ("EAD"), as well as the impact of time value, to calculate the 12-month ECLs and lifetime ECLs, respectively.

The above-mentioned "PD" and "LGD" are determined based on each group's historical information (such as credit loss experience) from internal statistical data and adjustment of historical data based on current observable and forward-looking macroeconomic information (such as GDP and unemployment rate).

When the Bank measured the expected credit loss of assets combination, the forward-looking information was taken into the PD's consideration. Among them, the index of forward-looking adjustment in PD is predicted by the Corporate banking Sector which adopted the growth rate of real GDP in Taiwan and the Consumer banking Sector which adopted the unemployment rate in Taiwan. According to the measurement of predict loss in IFRS 9, the forward-looking adjustment in PD is requested to assess any consequences (at least 2 circumstances) and expresses with weighted-average probability. As a result, the Bank took the prediction authorities' consensus forecasting into consideration and adopted the weighted-average prediction value by at least 2 macroeconomic prediction authorities to calculate.

ii. The investments in debt instrument at amortized cost and at FVTOCI

The measurement of expected credit loss was based on the information of PD and LGD which is announced from the external credit ratings and Moody's to calculate. The international credit rating authority has considered the forward-looking information when it assessed the credit rating.

d) Write off policy

When the Bank can not reasonably expect the recoverable from the entire or partial financial assets, the entire or partial financial assets will be written off. Financial assets which has been written off still possibly do the recovery of debt and institute legal proceedings continuously under related policies.

The above-mentioned index of unexpected reasonably recoverable amount includes the following:

i. The recovery of debt has stopped.

ii. The debtor doesn’t have enough assets or income resource to pay the debt after assessment.

4) Credit risk hedging and mitigation policies

a) When contracting, the terms of credit facilities are determined in the light of assessments of probability and amounts of default and collateral and guarantees are obtained, including bank deposit receipts, securities (such as treasury securities, government bonds, bank debentures, shares and bonds guaranteed by financial institutions) and real estate such as land and buildings. Shares listed on TWSE and TPEx are marked to market day to day, and changes in the value of their collaterals are monitored all the time; values of land and buildings are examined every time the contract is renewed.

b) Through policy mechanism, such as credit limits and credit regulation prior to the credit being committed to customers, to control the quality of credit assets. Via post-loan management, concentration analysis, midway credit and review tracking to view assets quality and changes of each case. Master and monitor risk in time. Periodic reports and feedbacks to understand credit portfolios and overall credit risks, ensure risk offsets for continued effectiveness.

c) When a risk occurs, according to the Bank’s “Principles for Acceptance and Disposal of Collaterals,” collateral of nonperforming loans secured through compulsory enforcement or participating distribution, if the minimum auction price or liquidation price of the collateral is too low and damage the Bank’s credit right, the Bank will participate in the auction or declare to undertake, for example, the minimum auction price is too low to compensate the principal and interest of loans but the collateral must not be difficult to dispose in the future. For collaterals tendered or undertaken, the Bank should actively seek buyers, and if the collateral is real estate, the Bank should dispose of it within the period prescribed under the Banking Law.

d) Other credit enhancements

If there are guarantee, strategic alliance or collaterals provided in the terms of the loan contracts which the Bank recognized as unsecured loan, when default events occur, the Bank will demand compensation from the guarantor, strategic alliance, transfer of credits to the Bank or disposal of collaterals to decrease credit risk.

5) The maximum credit risk exposure

The carrying amount represents the Bank's maximum exposure to credit risk of the on-balance sheet assets, without taking into account the collaterals held or other credit enhancements. The amounts of the maximum credit exposure of the irrevocable off-balance commitments and guarantees, without taking into account the collaterals held or other credit enhancements, were as follows:

	December 31, 2024	**December 31, 2023**
Unused portion of credit card lines	$ 173,027,405	$ 172,423,754
Guarantees and standby L/Cs	16,937,598	13,597,354
Irrevocable loan commitments	17,793,426	18,423,021

The Bank has documented procedures for the assessment and classification of nonperforming loans and for evaluating adequacy of collaterals.

The breakdown of maximum credit risk exposure of the Bank according to whether collaterals are held or other credit enhancements exist is as follows:

December 31, 2024

	Maximum Credit Risk Exposure			
	With Collaterals	**Other Credit Enhancements**	**Without Collaterals**	**Total**
Balance sheet items				
Discounts and loans	$ 302,288,788	$ 67,669,152	$ 125,192,825	$ 495,150,765
Receivables - credit card	-	-	12,280,361	12,280,361
Factoring	-	-	1,456,189	1,456,189
Receivables - acceptances	-	75,867	103,869	179,736
Off-Balance sheet items				
Unused portion of credit card lines	-	-	173,027,405	173,027,405
Guarantee	4,715,145	6,192,581	5,450,080	16,357,806
Letters of credit issued	827	397,124	181,841	579,792
Irrevocable loan commitments	1,106,476	500,602	16,186,348	17,793,426
	$ 308,111,236	$ 74,835,326	$ 333,878,918	$ 716,825,480

December 31, 2023

	Maximum Credit Risk Exposure			
	With Collaterals	Other Credit Enhancements	Without Collaterals	Total
Balance sheet items				
Discounts and loans	$ 286,458,734	$ 70,627,638	$ 116,737,630	$ 473,824,002
Receivables - credit card	-	-	12,055,146	12,055,146
Factoring	-	-	1,275,892	1,275,892
Receivables - acceptances	-	22,559	21,206	43,765
Off-Balance sheet items				
Unused portion of credit card lines	-	-	172,423,754	172,423,754
Guarantee	2,521,128	3,864,532	6,051,862	12,437,522
Letters of credit issued	10,458	746,497	402,877	1,159,832
Irrevocable loan commitments	1,074,293	1,922,349	15,426,379	18,423,021
	$ 290,064,613	$ 77,183,575	$ 324,394,746	$ 691,642,934

When loan contracts set the security of nonperforming loans, article of collaterals and definition of credit event occurrence, the quota and the repayment period can be reduced or regard as maturity to reduce the credit risk.

Stage 3 credit-impaired financial assets

Refer to Notes 13 and 14 for the credit impairment of Stage 3 financial assets. The information of provision for allowance for possible losses amount, collateral fair value and other credit enhancements which reduce their potential loss are as below. The provision for allowance for possible losses takes into consideration the fair value of collateral, other credit enhancements amount and the recoverable amount in the future.

	Carrying Amount	Allowance for Possible Losses Under IFRS 9	Collateral Fair Value and Other Credit Enhancements
December 31, 2024			
Receivables			
Credit cards	$ 736,169	$ 194,443	$ -
Others	172,031	61,838	561
Discounts and loans	1,454,570	369,148	244,440
	$ 2,362,770	$ 625,429	$ 245,001
December 31, 2023			
Receivables			
Credit cards	$ 850,236	$ 220,969	$ -
Others	109,507	62,154	804
Discounts and loans	1,664,416	375,911	361,944
	$ 2,624,159	$ 659,034	$ 362,748

6) Concentrations of credit risk

The concentration of credit risk exists when counterparties to financial transactions are individuals or groups engaging in similar business activities and having similar economic features. The similarity would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The Bank's concentrations of credit risk by industry, geography and type of collaterals were as follows:

a) By industry

	December 31, 2024		December 31, 2023	
Industry Sector	**Amount**	**%**	**Amount**	**%**
Finance and insurance	$ 78,852,768	16	$ 80,199,995	17
Manufacturing	59,118,193	12	62,177,786	13
Real estate	44,295,383	9	34,238,765	7
	$ 182,266,344	37	$ 176,616,546	37

b) By geography

	December 31, 2024		December 31, 2023	
Region	**Amount**	**%**	**Amount**	**%**
Taiwan	$ 430,332,305	87	$ 420,259,030	89
Asia Pacific except Taiwan	36,107,316	7	32,907,514	7
Others	28,711,144	6	20,657,458	4
	$ 495,150,765	100	$ 473,824,002	100

c) By type of collaterals

	December 31, 2024		December 31, 2023	
Type of Collaterals	**Amount**	**%**	**Amount**	**%**
Unsecured	$ 192,861,977	39	$ 187,365,268	39
Secured				
Real estate	262,001,444	53	245,738,662	52
Financial collateral	20,650,948	4	23,081,334	5
Movable property	18,689,918	4	16,945,514	4
Others	946,478	-	693,224	-
	$ 495,150,765	100	$ 473,824,002	100

d. Liquidity risk management

1) Sources and definition of liquidity risk

Liquidity risk is the risk that the Bank is unable to liquidate assets or obtain loans to meet its obligations when they fall due as a result of customer deposits being early withdrawn, deteriorating access to and terms of interbank facilities, deteriorating delinquency by borrowers, or financial instruments not easily liquidated. Such outflows would deplete available cash resources for client lending, trading activities and investments. In extreme circumstances, lack of liquidity could result in reductions in the balance sheet and sales of assets, or potentially an inability to fulfill lending commitments. The risk that the Bank will be unable to do so is inherent in all banking operations and can be affected by a range of institution-specific and market-wide events including, but not limited to, credit events, merger and acquisition activities, systemic shocks and natural disasters, etc.

2) Risk management policies on liquidity risk

The Bank's liquidity management processes, which are implemented by an independent department, include:

a) Day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met.

b) Maintaining high-quality liquid assets (HQLA), for example, highly liquid cash and cash equivalents, qualified central bank reserves held at the Central Bank and securities investments that can easily be liquidated as protection against any unforeseen interruption to cash flow; and

c) Monitoring the liquidity ratios against internal and regulatory requirements.

Monitoring and reporting take the form of cash flow measurement and projections of various future days. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets. Related information is submitted regularly to the Bank's Assets and Liabilities Management Committee and the Board of Directors.

d) Regularly conducting liquidity risk stress tests.

e) Formulating an emergency response plan and carrying out drills.

3) Maturity analysis of non-derivative financial liabilities

The table below presents the cash flows payable by the Bank under non-derivative financial liabilities by remaining contractual maturities at the date of the balance sheet.

December 31, 2024	Due in 30 Days	Due Between 31 Days and 90 Days	Due Between 91 Days and 180 Days	Due Between 181 Days and One Year	Due After One Year	Total
Due to the Central Bank and other banks	$ 581,528	$ 2,270,462	$ -	$ -	$ -	$ 2,851,990
Funds borrowed from the Central Bank and other banks	-	-	-	97,436	1,065,897	1,163,333
Securities sold under repurchase agreements	2,660,494	-	-	-	-	2,660,494
Payables	11,782,572	1,051,472	1,113,357	771,025	610,191	15,328,617
Deposits and remittances	96,245,758	130,105,263	114,917,347	191,098,674	166,502,158	698,869,200
Bank debentures	1,900	-	-	-	16,900,000	16,901,900
Principal received on structured products	84,383	53,693	1,821,736	322,234	40,065,443	42,347,489
Other financial liabilities	100,000	702,000	-	-	428,004	1,230,004
Lease liabilities	35,906	73,244	95,511	173,430	566,762	944,853
Total	$ 111,492,541	$ 134,256,134	$ 117,947,951	$ 192,462,799	$ 226,138,455	$ 782,297,880

December 31, 2023	Due in 30 Days	Due Between 31 Days and 90 Days	Due Between 91 Days and 180 Days	Due Between 181 Days and One Year	Due After One Year	Total
Due to the Central Bank and other banks	$ 1,470,443	$ 19,051	$ -	$ -	$ -	$ 1,489,494
Funds borrowed from the Central Bank and other banks	-	-	-	133,333	-	133,333
Securities sold under repurchase agreements	1,261,101	-	-	-	-	1,261,101
Payables	2,501,625	866,218	1,190,068	685,955	587,058	5,830,924
Deposits and remittances	90,241,672	117,814,214	108,993,915	178,577,216	165,120,744	660,747,761
Bank debentures	1,900	2,500,000	-	3,500,000	10,900,000	16,901,900
Principal received on structured products	45,095	78,398	132,161	191,063	33,693,018	34,139,735
Other financial liabilities	955,000	330,000	-	-	843,371	2,128,371
Lease liabilities	37,629	69,405	92,962	182,290	747,873	1,130,159
Total	$ 96,514,465	$ 121,677,286	$ 110,409,106	$ 183,269,857	$ 211,892,064	$ 723,762,778

Note: The amounts disclosed in the tables are the contractual cash flows, some of which may not reconcile to the corresponding items in the balance sheet.

The amount of demand deposits in "deposits and remittances" in the above maturity analysis are allocated based on historical experience. If all demand deposits were required to be paid off in recent period, the cash outflows on period of due in 30 days would have been $306,257,202 thousand and $293,363,302 thousand as of December 31, 2024 and 2023, respectively.

4) Maturity analysis of derivative financial liabilities

a) Maturity analysis of derivative financial liabilities that will be settled on a net basis is as follows:

December 31, 2024	Due in 30 Days	Due Between 31 Days and 90 Days	Due Between 91 Days and 180 Days	Due Between 181 Days and One Year	Due After One Year	Total
Derivative financial liabilities at FVTPL						
Foreign exchange derivatives	$ 2,143	$ 5,960	$ 2,249	$ 891	$ 3,112	$ 14,355
Interest rate derivatives	19,311	15,898	40,411	36,218	5,138,651	5,250,489
Total	$ 21,454	$ 21,858	$ 42,660	$ 37,109	$ 5,141,763	$ 5,264,844

December 31, 2023	Due in 30 Days	Due Between 31 Days and 90 Days	Due Between 91 Days and 180 Days	Due Between 181 Days and One Year	Due After One Year	Total
Derivative financial liabilities at FVTPL						
Foreign exchange derivatives	$ 67	$ 1,305	$ 1,241	$ 2,024	$ -	$ 4,637
Interest rate derivatives	8,589	13,160	7,652	58,282	3,000,938	3,088,621
Total	$ 8,656	$ 14,465	$ 8,893	$ 60,306	$ 3,000,938	$ 3,093,258

Note: The amounts disclosed in the table are the contractual cash flows, some of which may not reconcile to the corresponding items in the balance sheet.

b) Maturity analysis of derivative financial liabilities that will be settled on a gross basis is as follows:

December 31, 2024	Due in 30 Days	Due Between 31 Days and 90 Days	Due Between 91 Days and 180 Days	Due Between 181 Days and One Year	Due After One Year	Total
Derivative financial liabilities at FVTPL						
Foreign exchange derivatives						
Cash outflow	$ 49,551,892	$ 62,539,467	$ 45,021,350	$ 19,445,386	$ -	$ 176,558,095
Cash inflow	48,533,317	61,810,873	43,919,970	18,743,910	-	173,008,070
Interest rate derivatives						
Cash outflow	-	5,572,770	1,639,050	655,620	-	7,867,440
Cash inflow	-	5,439,300	1,626,250	650,200	-	7,715,750
Credit derivatives						
Cash outflow	-	-	-	-	-	-
Cash inflow	-	-	-	-	-	-
Subtotal of cash outflow	49,551,892	68,112,237	46,660,400	20,101,006	-	184,425,535
Subtotal of cash inflow	48,533,317	67,250,173	45,546,220	19,394,110	-	180,723,820
Net cash flow	$ (1,018,575)	$ (862,064)	$ (1,114,180)	$ (706,896)	$ -	$ (3,701,715)

December 31, 2023	Due in 30 Days	Due Between 31 Days and 90 Days	Due Between 91 Days and 180 Days	Due Between 181 Days and One Year	Due After One Year	Total
Derivative financial liabilities at FVTPL						
Foreign exchange derivatives						
Cash outflow	$ 123,113,100	$ 88,926,009	$ 24,050,629	$ 6,603,089	$ 599,060	$ 243,291,887
Cash inflow	121,089,753	87,072,176	23,650,752	6,656,536	614,700	239,083,917
Interest rate derivatives						
Cash outflow	1,844,100	614,700	-	-	-	2,458,800
Cash inflow	1,719,400	557,400	-	-	-	2,276,800
Credit derivatives						
Cash outflow	-	-	-	-	-	-
Cash inflow	-	2,175	2,151	4,303	15,930	24,559
Subtotal of cash outflow	124,957,200	89,540,709	24,050,629	6,603,089	599,060	245,750,687
Subtotal of cash inflow	122,809,153	87,631,751	23,652,903	6,660,839	630,630	241,385,276
Net cash flow	$ (2,148,047)	$ (1,908,958)	$ (397,726)	$ 57,750	$ 31,570	$ (4,365,411)

Note: The amounts disclosed in the table are the contractual cash flows, some of which may not reconcile to the corresponding items in the balance sheet.

5) Maturity analysis of off-balance sheet items

Maturity analysis of the off-balance sheet items that can be withdrawn or required to realize on the basis of their earliest possible contractual maturity is as follows:

December 31, 2024	Due in 30 Days	Due Between 31 Days and 90 Days	Due Between 91 Days and 180 Days	Due Between 181 Days and One Year	Due After One Year	Total
Developed and irrevocable loan commitments	$ 17,793,426	$ -	$ -	$ -	$ -	$ 17,793,426
Irrevocable credit card commitments	173,027,405	-	-	-	-	173,027,405
Issued but unused letters of credit	579,792	-	-	-	-	579,792
Other guarantees	15,720,425	383,700	-	-	253,681	16,357,806
Total	$ 207,121,048	$ 383,700	$ -	$ -	$ 253,681	$ 207,758,429

December 31, 2023	Due in 30 Days	Due Between 31 Days and 90 Days	Due Between 91 Days and 180 Days	Due Between 181 Days and One Year	Due After One Year	Total
Developed and irrevocable loan commitments	$ 18,423,021	$ -	$ -	$ -	$ -	$ 18,423,021
Irrevocable credit card commitments	172,423,754	-	-	-	-	172,423,754
Issued but unused letters of credit	1,159,832	-	-	-	-	1,159,832
Other guarantees	11,150,441	1,033,400	-	-	253,681	12,437,522
Total	$ 203,157,048	$ 1,033,400	$ -	$ -	$ 253,681	$ 204,444,129

e. Market risk management

1) Definition and scope of market risk

Market risk is the risk that unfavorable changes in market prices, such as interest rates, foreign exchange rates, equity prices and commodity prices will affect the Bank’s income or its holdings of on- and off-balance sheet positions. The Bank’s market risk mainly comes from equity investment securities, interest rates, foreign exchange rates and commodity.

2) Management policies of market risk

The Bank develops appropriate management process to identify and measure market risk, and to effectively manage and control credit limits, valuation of profits and losses, sensitivity analysis and stress tests of each financial instrument position. Besides, the Bank takes appropriate management strategy while facing market risk in its daily operating activities and management processes. The information of market risk and implementation are managed, monitored and disclosed by the Risk Management Group. A summary report, including suggestion, is submitted regularly to the Risk Management Committee and the Board of Directors.

3) Market risk management process

a) Recognition and measurement

The risk measurement system first identifies the market risk factors of the exposure positions (such as interest rates, share price, foreign exchange rates, commodity price, etc.) and then measures the risks assumed in on- and off-balance sheet trading positions with the change in market risk factors.

Risk measurement adds sensitivity analysis (DV01, Delta, Vega) etc. or situational analysis, to assess the changes in the value of the asset portfolio. And perform stress testing in accordance with the regulations of the administration, to measure abnormal losses under extreme conditions.

b) Monitoring and reporting

The Bank’s Risk Management Group regularly reviews market risk management objective, positions and control of gain and loss, sensitivity analysis and pressure test and reports to the Risk Management Committee and the Board of Directors to well understand the situation of market risk control. The Bank has established explicit notification process, the limit and stop-loss regulation for various transactions. Stop-loss order must be taken when the limit is reached, otherwise the trading department's reasons and plans must be approved by the management.

4) Management process of interest risk

Interest rate risk is the risk of loss or changes in the fair value resulting from interest rate or credit spread fluctuations.

The Bank separates the interest rate risk positions between trading book and banking book. Financial instruments and commodity positions held for trading purpose or to hedge against trading book positions are carried in trading book. Positions held for trading purpose are those transactions with the intention of profiting from actual or forecast spread. Positions not belonging to trading book are carried in banking book.

a) Management process and valuation methods of interest rate risk in trading book

To limit the loss within acceptable range, the Bank imposes trading limits and stop loss limits on trading room, traders and commodity; it also imposes monthly maximum loss limit on trading positions.

The operation limit of securities and interest rate related derivative instruments are controlled by the notional amount or DV01. The risk of bonds and interest rate related options are additionally measured using Vega. The stop loss limits are controlled on a daily basis.

b) Management process and valuation methods of interest rate risk in banking book

To improve its capacity to adapt to changes, the Bank measures, manages and mitigates changes in its earnings and economic values of balance sheet items arising from interest rate fluctuations.

When undertaking the operations relating to interest rate instruments, the Bank identifies the repricing risk of interest rate, yield curve risk, basis risk and options risk characteristics. In addition, the Bank also measures the potential impact of interest rate changes on earnings.

The measurement of interest rate risk in banking book is based on the analysis of position change of interest rate sensitivity among the durations of all products. The measurement is also derived from the interest rate shock scenarios regulated by the domestic and foreign supervisory agency to calculate the impact of changes in the economic value of equity (△EVE) and changes in net interest income (△NII).

The Bank periodically analyzes and monitors the interest risk limits and various targets of interest risk management. The results of analysis and monitoring are submitted regularly to the Assets and Liabilities Management Committee and the Board of Directors. If the risk management targets are found to be in excess of early warning thresholds during the monitoring process, the Bank will report to the Assets and Liabilities Management Committee and propose remedial action to be taken.

5) Management of foreign exchange risk

a) Definition of foreign exchange risk

Foreign exchange risk is the risk of loss or changes in fair value arising from open trading positions in currency due to exchange rate fluctuations. Foreign exchange transactions include spot exchange, swap, forward exchange, non-deliverable forward and foreign currency option between New Taiwan dollars and a foreign currency or between two foreign currencies.

b) Foreign exchange risk management policies, process and valuation methods

To manage foreign exchange risk and limit the loss within acceptable range, the Bank imposes trading limits and stop loss limits on trading room, traders and commodity; it also imposes monthly maximum loss limit on trading positions. Spot exchange, swap, forward exchange, non-deliverable forward and foreign currency option are controlled collectively using Delta; foreign currency option is additionally controlled using Vega. The stop loss limits are controlled on a daily basis.

c) Concentration of foreign exchange risk

Information on concentration of foreign currency exposures at the balance sheet date is shown in Note 41.

6) Management of equity securities market risk

a) Definition and measurement bases of equity market risk

Equity market risk is the risk arising from open positions in equity securities as a result of fluctuations in the market prices of individual securities. The Bank manages market risk on the basis of closing prices of equity securities to calculate their fair values.

b) Management processes of equity market risk

The Bank sets gross limits on overall positions, by industries, and by groups. For shares listed on TWSE and TPEx and beneficiary certificates, the Bank sets the limit of investment in each share and stop loss/gain limits on overall and particular positions, which are monitored daily.

A stop loss/gain order would be executed once a given stop price has been reached; otherwise, traders should report to the manager of its department, including reasons for not executing stop loss/gain order.

7) Management of commodity risk

a) Definition of commodity risk

Commodity risk is the risk of loss due to changes in market value arising from open positions in commodity price fluctuations. Commodity transactions include energy, non-ferrous metals (including precious metals), agricultural products, and other commodity futures and options.

b) Commodity risk management policies, process and valuation methods

To manage commodity risk and limit the loss within acceptable range, the Bank imposes trading limits and stop loss limits on trading room, traders and commodity; it also imposes monthly maximum loss limit on trading positions. Energy, non-ferrous metals (including precious metals), agricultural products, and other commodity futures and options are controlled collectively using Delta; commodity option is additionally controlled using Vega. The stop loss limits are controlled on a daily basis.

8) Stress testing

The Risk Management Group performs stress testing at least once a year and submits the results of stress testing to the Risk Management Committee and the board of directors. The Bank applies market risk factors sensitivity analysis under extreme scenarios to analyze the situational profit and loss and risk exposure of risk factors on asset portfolios in trading book that have become extremely volatile for the management to evaluate the market risk-bearing capacity and ensure the continuous solvency of the Bank.

9) Sensitivity analysis

a) Interest rate sensitivity

Interest rate factor sensitivity ("DV01" or "PVBP") measured at the balance sheet date is the impact on the discounted future cash flows of bonds, bills and interest-rate-based derivative instruments in trading book for 1 basis points ("bps") parallel shift in all yield curves.

Assuming all other variables remain constant, where the interest rate increases/decreases by 1 bps, there would be a decrease/increase of $1,917 thousand and $1,150 thousand in income before income tax for the year ended December 31, 2024 and 2023, respectively. There would be a decrease/increase of $15 thousand and $28 thousand in other comprehensive income for the years ended December 31, 2024 and 2023, respectively.

b) Foreign exchange sensitivity

Foreign exchange rate factor sensitivity ("FX Delta") measured at the balance sheet date is the impact on the values of foreign exchange positions in trading book for a 1% change in foreign exchange rates.

Where the foreign exchange increases/decreases by 1%, assuming all other risk factors remain constant, there would be a decrease/increase of $11,718 thousand in income before income tax for the year ended December 31, 2024. There would be an increases/decreases of $1,172 thousand in income before income tax for the year ended December 31, 2023.

c) Equity securities market risk

Equity securities market factor sensitivity measured at the balance sheet date is the impact on the values of open positions in equity securities in trading book for a 1% change in stock market prices.

Where the securities prices increases/decreases by 1%, assuming all other risk factors remain constant, there would be an increase/decrease of $1,857 thousand and $4,401 thousand in income before income tax for the years ended December 31, 2024 and 2023, respectively.

d) Commodity sensitivity

Commodity sensitivity measured at the balance sheet date is the impact on the values of commodity positions in trading book for a 1% change in market prices. The Bank has none net position of the commodity as of December 31, 2024 and 2023; changes in commodity prices have no impact on income before income tax for the years ended December 31, 2024 and 2023, respectively.

f. Transfer of financial assets

In the daily operations of the Bank, the transactions of the transferred financial assets not eligible for derecognition in full are mainly bonds under repurchase agreement. Since the cash flows of those financial assets have been transferred to outsiders, the Bank is not eligible to conduct, sell, or pledge the transferred financial assets during the effective period. However, the Bank is still exposed to interest rate risks and credit risks. The liabilities of repurchasing the transferred financial assets in an agreed amount have been recognized. The following tables show the transferred financial assets not eligible for derecognition in full and related amounts.

Items	December 31, 2024		December 31, 2023	
	Carrying Amount of Transferred Financial Assets	Carrying Amount of Related Financial Liabilities	Carrying Amount of Transferred Financial Assets	Carrying Amount of Related Financial Liabilities
FVTOCI - transactions under repurchase agreements	$ -	$ -	$ 84,988	$ 81,347
Amortized cost - transactions under repurchase agreements	2,686,545	2,643,625	1,225,372	1,174,419

g. Offset of financial assets and financial liabilities

The Bank has an exercisable master netting arrangement or similar agreement in place with counterparties. When both parties reach a consensus regarding net settlement, the aforesaid exercisable master netting arrangement or similar agreement can be net settled by offsetting financial assets and financial liabilities. If not, the transaction can be settled at gross amount. In the event of default involving one of the parties, the other party can choose to settle the transaction at net amount.

Information of the above-mentioned financial assets and financial liabilities that are offset, and have an exercisable master netting arrangement or similar agreement is summarized as follows:

December 31, 2024

Financial Asset	Gross Amount of Recognized Financial Assets	Gross Amount of Financial Liabilities Offset in the Balance Sheets	Net Amount of Financial Assets Presented in the Balance Sheet	Amount Not Offset in the Balance Sheets		Net Amount
				Financial Instruments	Cash Collateral Received	
Derivatives	$ 10,049,125	$ -	$ 10,049,125	$ 1,177,168	$ 131,593	$ 8,740,364
Bills and notes purchased under resale agreements	3,435,840	-	3,435,840	3,435,840	-	-
	$ 13,484,965	$ -	$ 13,484,965	$ 4,613,008	$ 131,593	$ 8,740,364

Financial Liability	Gross Amount of Recognized Financial Liabilities	Gross Amount of Financial Assets in the Balance Sheets	Net Amount of Financial Liabilities Presented in the Balance Sheet	Amount Not Offset in the Balance Sheets		Net Amount
				Financial Instruments	Cash Collateral Pledged	
Derivatives	$ 8,729,116	$ -	$ 8,729,116	$ 1,177,168	$ 3,511,016	$ 4,040,932
Bills and notes sold under repurchase agreements	2,643,625	-	2,643,625	2,643,625	-	-
	$ 11,372,741	$ -	$ 11,372,741	$ 3,820,793	$ 3,511,016	$ 4,040,932

December 31, 2023

Financial Asset	Gross Amount of Recognized Financial Assets	Gross Amount of Financial Liabilities Offset in the Balance Sheets	Net Amount of Financial Assets Presented in the Balance Sheet	Amount Not Offset in the Balance Sheets: Financial Instruments	Amount Not Offset in the Balance Sheets: Cash Collateral Received	Net Amount
Derivatives	$ 7,685,804	$ -	$ 7,685,804	$ 1,694,023	$ 382,850	$ 5,608,931
Bills and notes purchased under resale agreements	2,241,295	-	2,241,295	2,241,295	-	-
	$ 9,927,099	$ -	$ 9,927,099	$ 3,935,318	$ 382,850	$ 5,608,931

Financial Liability	Gross Amount of Recognized Financial Liabilities	Gross Amount of Financial Assets in the Balance Sheets	Net Amount of Financial Liabilities Presented in the Balance Sheet	Amount Not Offset in the Balance Sheets: Financial Instruments	Amount Not Offset in the Balance Sheets: Cash Collateral Pledged	Net Amount
Derivatives	$ 8,397,692	$ -	$ 8,397,692	$ 1,694,023	$ 2,289,462	$ 4,414,207
Bills and notes sold under repurchase agreements	1,255,766	-	1,255,766	1,255,766	-	-
	$ 9,653,458	$ -	$ 9,653,458	$ 2,949,789	$ 2,289,462	$ 4,414,207

h. Disclosures required by the Regulations Governing the Preparation of Financial Statements by Public Banks

1) Asset quality of loans

Nonperforming loans and nonperforming receivables of the Bank

Business \ Item			December 31, 2024: Nonperforming Loans (Note a)	Loans	Ratio of Nonperforming Loans (Note b)	Allowance for Possible Losses	Coverage Ratio (Note c)
Corporate Banking	Secured		$ 68,301	$ 78,057,262	0.09%	$ 976,404	1,429.56%
	Unsecured		96,927	159,537,338	0.06%	1,899,049	1,959.26%
Consumer Banking	Residential mortgage (Note d)		24,386	135,545,085	0.02%	2,038,346	8,358.67%
	Cash card		-	-	-	-	-
	Small-scale credit loan (Note e)		117,944	25,794,815	0.46%	411,732	349.09%
	Others (Note f)	Secured	14,520	88,686,441	0.02%	937,168	6,454.33%
		Unsecured	411	7,529,824	0.01%	82,747	20,133.09%
Total			322,489	495,150,765	0.07%	6,345,446	1,967.65%
Business \ Item			**Nonperforming Receivables**	**Accounts Receivable**	**Ratio of Nonperforming Receivables**	**Allowance for Possible Losses**	**Coverage Ratio**
Credit card			33,077	12,280,361	0.27%	255,136	771.34%
Accounts receivable factored without recourse (Note g)			-	1,456,189	-	16,804	-

Business \ Item			Nonperforming Loans (Note a)	Loans	Ratio of Nonperforming Loans (Note b)	Allowance for Possible Losses	Coverage Ratio (Note c)
			December 31, 2023				
Corporate Banking	Secured		$ 101,119	$ 70,288,254	0.14%	$ 954,182	943.62%
	Unsecured		79,935	156,579,157	0.05%	1,745,580	2,183.75%
Consumer Banking	Residential mortgage (Note d)		38,251	136,368,876	0.03%	2,051,244	5,362.59%
	Cash card		-	-	-	-	-
	Small-scale credit loan (Note e)		239,839	23,708,204	1.01%	415,760	173.35%
	Others (Note f)	Secured	51,980	79,801,604	0.07%	850,715	1,636.62%
		Unsecured	402	7,077,907	0.01%	78,360	19,492.54%
Total			511,526	473,824,002	0.11%	6,095,841	1,191.70%
Business \ Item			Nonperforming Receivables	Accounts Receivable	Ratio of Nonperforming Receivables	Allowance for Possible Losses	Coverage Ratio
Credit card			38,221	12,055,146	0.32%	306,011	800.64%
Accounts receivable factored without recourse (Note g)			-	1,275,892	-	15,808	-

Note a: Nonperforming credit cards receivables represent the amounts of nonperforming receivables reported to the authorities and disclosed to the public, as required by the Banking Bureau's letter dated July 6, 2005 (Ref. No. 0944000378).

Note b: Ratio of nonperforming loans: Nonperforming loans ÷ Outstanding loan balance.

Ratio of nonperforming credit cards receivables: Nonperforming credit cards receivables ÷ Outstanding credit cards receivables balance.

Note c: Coverage ratio of allowance for possible losses for loans: Allowance for possible losses for loans ÷ Nonperforming loans.

Coverage ratio of allowance for possible losses for credit cards receivables: Allowance for possible losses for credit cards receivables ÷ Nonperforming credit cards receivables.

Note d: Residential mortgage is a loan given to the borrower who provides a house, to be purchased (or already owned) by the borrower or the spouse or the minor children of the borrower, as a mortgage to the Bank and will use the loan for house purchase or refurbishment.

Note e: Small-scale credit loans refer to the loans under the Banking Bureau's regulation, dated December 19, 2005 (Ref. No. 09440010950), but excluding small-scale unsecured loans obtained through credit cards and cash cards.

Note f: Other loans of consumer banking refer to secured or unsecured loans, excluding residential mortgage, cash card, small-scale credit loans and credit card.

Note g: As required by the Banking Bureau's letter dated July 19, 2005 (Ref. No. 0945000494), factoring without recourse is disclosed as nonperforming receivables in three months upon the factors' or insurance companies' rejection of claims.

Nonperforming loans and nonperforming receivables excluded from the information stated above

Item / Business	December 31, 2024		December 31, 2023	
	Nonperforming Loans Excluded	Nonperforming Receivables Excluded	Nonperforming Loans Excluded	Nonperforming Receivables Excluded
Loans not classified as NPL upon debt restructuring and performed as agreed (Note a)	$ 3,767	$ 16,609	$ 6,800	$ 28,185
Loans upon performance of a debt discharge program and rehabilitation program (Note b)	1,006,874	606,332	985,611	690,800
Total	1,010,641	622,941	992,411	718,985

Note a: Supplementary disclosure related to the loans which need not be classified as NPL upon debt restructuring and performed as agreed, as stipulated in the Banking Bureau's letter dated April 25, 2006 (Ref. No. 09510001270).

Note b: About the Bank disclosures information and enumerates credit for case of pre-negotiation, pre-mediation, debt settlement proceedings and liquidation under Statute for Consumer Debt Clearance, as stipulated in the Banking Bureau's letter dated September 15, 2008 (Ref. No. 09700318940) and dates September 20, 2016 (Ref. No. 10500134790).

2) Concentration of credit extensions

Ranking (Note a)	December 31, 2024		
	Group Entity Industry and Code (Note b)	Total Balances of Credit Extensions (Note c)	Ratio of Credit Extensions to Net Worth (%)
1	A Group - 6700 - real estate development activities	$ 14,657,715	24
2	B Group - 4652 - wholesale of motorcycles	7,696,559	13
3	C Group - 6499 - other financial service activities not elsewhere classified	7,181,134	12
4	D Group - 2620 -Passive electronic component manufacturing	6,710,065	11
5	E Group - 6700 - real estate development activities	4,214,098	7
6	F Group - 4642 - electricity transmission and distribution enterprise	4,121,651	7
7	G Group - 6700 - real estate development activities	3,544,500	6
8	H Group - 6700 - real estate development activities	3,493,417	6
9	I Group - 2413 - rolling and extruding of iron and steel	3,482,534	6
10	J Group - 6700 - real estate development activities	3,481,095	6

Ranking (Note a)	December 31, 2023		
	Group Entity Industry and Code (Note b)	Total Balances of Credit Extensions (Note c)	Ratio of Credit Extensions to Net Worth (%)
1	C Group - 6491 - financial leasing industry	$ 7,952,268	14
2	A Group - 6700 - real estate development activities	7,671,837	13
3	B Group - 4652 - wholesale of motorcycles	7,082,462	12
4	D Group - 2630 - manufacture of bare printed circuit boards	4,535,603	8
5	I Group - 2413 - rolling and extruding of iron and steel	4,318,341	7
6	K Group - 6491 - financial leasing industry	4,288,000	7
7	L Group - 6499 - other financial service activities not elsewhere classified	3,444,288	6
8	H Group - 6700 - real estate development activities	3,387,842	6
9	M Group - 6700 - real estate development activities	3,273,000	6
10	N Group - 2711 - manufacture of computers	3,139,334	5

Note a: The rankings above represent the top 10 corporate entities except for government or state-owned enterprises, based on the total balance of credit extension granted by the Bank. The amount of credit extensions should be disclosed in aggregate for each group entity, the code and industry of which are also required. The industry of the group entities is designated as the industry of the individual group entity with the greatest risk exposure. The lines of industry should conform to the industry sub-categorization of the Standard Industrial Classification System of the Republic of China published by the Directorate-General of Budget, Accounting and Statistics under the Executive Yuan.

Note b: "Group Entity" is defined in Article 6 of "Supplementary Provisions to the Taiwan Stock Exchange Corporation Rules for Review of Securities Listings."

Note c: Credit extension balance includes various loans (import and export negotiations, discounts, overdrafts, unsecured and secured short-term loans, margin loans receivable, unsecured and secured medium-term loans, unsecured and secured long-term loans; and nonaccrual loans), bills purchased, factored accounts receivable without recourse, acceptances and guarantees.

3) Interest rate sensitivity

Table 1: Interest rate sensitivity analysis for New Taiwan dollar items

December 31, 2024

Items	1 Day to 90 Days	91 Days to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate-sensitive assets	$ 536,177,679	$ 11,141,096	$ 23,751,564	$ 83,350,423	$ 654,420,762
Interest rate-sensitive liabilities	239,524,043	228,711,198	107,244,124	23,960,794	599,440,159
Interest rate sensitivity gap	296,653,636	(217,570,102)	(83,492,560)	59,389,629	54,980,603
Net worth					61,249,789
Ratio of interest rate-sensitive assets to liabilities					109.17%
Ratio of interest rate-sensitivity gap to net worth					89.76%

December 31, 2023

Items	1 Day to 90 Days	91 Days to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate-sensitive assets	$ 504,605,193	$ 8,415,386	$ 16,242,170	$ 100,829,087	$ 630,091,836
Interest rate-sensitive liabilities	227,552,911	211,218,311	102,122,478	16,069,111	556,962,811
Interest rate sensitivity gap	277,052,282	(202,802,925)	(85,880,308)	84,759,976	73,129,025
Net worth					58,874,812
Ratio of interest rate-sensitive assets to liabilities					113.13%
Ratio of interest rate-sensitivity gap to net worth					124.21%

Note a: The New Taiwan dollar amounts held by the Bank.

Note b: Interest rate-sensitive assets and liabilities refer to interest-earning assets and interest-bearing liabilities that were affected by interest rate changes.

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

Note d: Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets ÷ Interest rate-sensitive liabilities.

Table 2: Interest rate sensitivity analysis for U.S. dollar items

December 31, 2024

(In Thousands of U.S. Dollars)

Items	1 Day to 90 Days	91 Days to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate-sensitive assets	$ 3,360,701	$ 71,457	$ 1,664	$ 112,692	$ 3,546,514
Interest rate-sensitive liabilities	3,417,030	295,670	330,291	-	4,042,991
Interest rate sensitivity gap	(56,329)	(224,213)	(328,627)	112,692	(496,477)
Net worth					1,868,454
Ratio of interest rate-sensitive assets to liabilities					87.72%
Ratio of interest rate-sensitivity gap to net worth					(26.57%)

December 31, 2023

(In Thousands of U.S. Dollars)

Items	1 Day to 90 Days	91 Days to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate-sensitive assets	$ 2,080,286	$ 254,700	$ 169,072	$ 268,551	$ 2,772,609
Interest rate-sensitive liabilities	1,770,210	2,243,262	204,330	-	4,217,802
Interest rate sensitivity gap	310,076	(1,988,562)	(35,258)	268,551	(1,445,193)
Net worth					1,915,562
Ratio of interest rate-sensitive assets to liabilities					65.74%
Ratio of interest rate-sensitivity gap to net worth					(75.44%)

Note a: The total U.S. dollar amounts held by the Bank, excluding contingent assets and liabilities.

Note b: Interest rate-sensitive assets and liabilities refer to interest-earning assets and interest-bearing liabilities that were affected by interest rate changes.

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

Note d: Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets ÷ Interest rate-sensitive liabilities.

4) Profitability

Items		For the Year Ended December 31, 2024	For the Year Ended December 31, 2023
Return on total assets	Before tax	0.59%	0.61%
	After tax	0.52%	0.54%
Return on equity	Before tax	8.11%	8.27%
	After tax	7.15%	7.33%
Net income ratio		33.42%	32.63%

Note a: Return on total assets = Income before (after) income tax ÷ Average total assets.

Note b: Return on equity = Income before (after) income tax ÷ Average equity.

Note c: Net income ratio = Income after income tax ÷ Total net profit.

5) Maturity analysis of assets and liabilities

a) For New Taiwan dollar items

December 31, 2024

	Total	Amount for Remaining Period to Maturity					
		0 Day to 10 Days	11 Days to 30 Days	31 Days to 90 Days	91 Days to 180 Days	181 Days to One Year	Over One Year
Main capital inflow on maturity	$ 832,117,161	$ 140,367,034	$ 83,311,163	$ 94,369,865	$ 78,967,388	$ 73,372,088	$ 361,729,623
Main capital outflow on maturity	1,060,541,618	88,755,083	61,987,241	180,504,609	211,718,216	246,944,614	270,631,855
Gap	(228,424,457)	51,611,951	21,323,922	(86,134,744)	(132,750,828)	(173,572,526)	91,097,768

December 31, 2023

	Total	Amount for Remaining Period to Maturity					
		0 Day to 10 Days	11 Days to 30 Days	31 Days to 90 Days	91 Days to 180 Days	181 Days to One Year	Over One Year
Main capital inflow on maturity	$ 815,024,737	$ 131,766,203	$ 104,398,752	$ 116,362,338	$ 49,458,895	$ 57,689,289	$ 355,349,260
Main capital outflow on maturity	1,018,474,503	86,451,475	101,299,595	191,142,741	183,984,711	219,723,406	235,872,575
Gap	(203,449,766)	45,314,728	3,099,157	(74,780,403)	(134,525,816)	(162,034,117)	119,476,685

Note: This table refers to the New Taiwan dollar amounts held by the Bank.

b) For U.S. dollar items

December 31, 2024

(In Thousands of U.S. Dollars)

	Total	Amount for Remaining Period to Maturity				
		0 Day to 30 Days	31 Days to 90 Days	91 Days to 180 Days	181 Days to One Year	Over One Year
Main capital inflow on maturity	$ 9,587,640	$ 2,908,616	$ 1,539,914	$ 1,374,003	$ 1,066,119	$ 2,698,988
Main capital outflow on maturity	10,739,670	3,084,148	2,959,589	2,201,411	1,961,844	532,678
Gap	(1,152,030)	(175,532)	(1,419,675)	(827,408)	(895,725)	2,166,310

December 31, 2023

(In Thousands of U.S. Dollars)

	Total	Amount for Remaining Period to Maturity				
		0 Day to 30 Days	31 Days to 90 Days	91 Days to 180 Days	181 Days to One Year	Over One Year
Main capital inflow on maturity	$ 10,637,060	$ 5,080,738	$ 2,205,779	$ 805,876	$ 541,188	$ 2,003,479
Main capital outflow on maturity	11,988,056	4,278,600	3,243,134	1,710,469	1,608,312	1,147,541
Gap	(1,350,996)	802,138	(1,037,355)	(904,593)	(1,067,124)	855,938

Note: This table refers to the U.S. dollar amounts held by the Bank.

44. CAPITAL MANAGEMENT

a. Objective of capital management

1) The basic goal of the Bank's capital management is that unconsolidated regulatory capital and the consolidated regulatory capital should meet the requirements of the related regulations. The ratio of regulatory capital and risk assets (the "capital adequacy ratio") should meet the statutory threshold according to the "Regulations Governing the Capital Adequacy and Capital Category of Banks".

2) In order to maintain an adequate level of capital to bear various risks, the Bank makes capital planning based on the operating plans and budget, the development strategies and dividend policy. The objective is to optimize assets allocation and strengthen capital structure.

b. Procedure of capital management

1) The calculation of the Bank's capital adequacy ratio is based on the "The Methods for Calculating the Bank's regulatory Capital and Risk-weighted Assets" enacted by the Financial Supervisory Commission and the related information is reported to the competent authority on a regular basis.

2) In order to monitor capital adequacy ratio, the execution and changes in the parameters of the capital planning are reported to the Bank's Risk Management Committee on a quarterly basis. The Bank are performed stress testing periodically and evaluated capital adequacy to assesses whether the Bank's capital is able to respond to various risks and whether the objective of capital management is met.

The calculations of regulatory capital, risk-weighted assets and capital adequacy ratio were as follows:

Unconsolidated

			December 31, 2024	December 31, 2023
Regulatory capital	Common equity		$ 59,094,161	$ 56,590,146
	Additional Tier I capital		2,900,000	2,900,000
	Tier II capital		10,169,285	11,486,674
	Total common capital		72,163,446	70,976,820
Risk-weighted assets	Credit risk	Standardized approach	464,625,158	438,525,154
		Internal rating-based approach	-	-
		Asset securitization	596,380	359,516
	Operational risk	Basic indicator approach	22,312,850	21,249,113
		Standardized approach/alternative standardized approach	-	-
		Advanced measurement approach	-	-
	Market risk	Standardized approach	12,334,338	12,092,150
		Internal models approach	-	-
	Total risk-weighted assets		499,868,726	472,225,933
Capital adequacy ratio			14.44%	15.03%
Ratio of common equity to risk-weighted assets			11.82%	11.98%
Ratio of Tier I capital to risk-weighted assets			12.40%	12.60%
Leverage ratio			6.61%	6.83%

Consolidated

			December 31, 2024	December 31, 2023
Regulatory capital	Common equity		$ 59,084,406	$ 56,574,559
	Additional Tier I capital		2,900,000	2,900,000
	Tier II capital		10,131,961	11,458,832
	Total common capital		72,116,367	70,933,391
Risk-weighted assets	Credit risk	Standardized approach	461,639,246	436,297,730
		Internal rating-based approach	-	-
		Asset securitization	596,380	359,516
	Operational risk	Basic indicator approach	22,690,200	21,473,288
		Standardized approach/alternative standardized approach	-	-
		Advanced measurement approach	-	-
	Market risk	Standardized approach	12,334,338	12,092,150
		Internal models approach	-	-
	Total risk-weighted assets		497,260,164	470,222,684
Capital adequacy ratio			14.50%	15.09%
Ratio of common equity to risk-weighted assets			11.88%	12.03%
Ratio of Tier I capital to risk-weighted assets			12.47%	12.65%
Leverage ratio			6.61%	6.82%

Note a: Regulatory capital, risk-weighted assets and exposure measurement are calculated under the “Regulations Governing the Capital Adequacy and capital category of Banks” and the “The Methods for Calculating the Bank’s regulatory Capital and Risk-weighted Assets”.

Note b: An annual report should include both the current year's and prior year's capital adequacy ratio, but a semiannual report should include the capital adequacy ratio of the most recent year.

Note c: Formulas used were as follows:

1) Regulatory capital = Common equity + Additional Tier I capital + Tier II capital.

2) Total risk-weighted assets = Risk-weighted assets for credit risk + (Capital requirements for operational risk and market risk) × 12.5.

3) Capital adequacy ratio = Regulatory capital/Total risk-weighted assets.

4) Ratio of Common equity to risk-weighted assets = Common equity/Total risk-weighted assets.

5) Ratio of Tier I capital to risk-weighted assets = (Common equity + Additional Tier I capital)/Total risk-weighted assets.

6) Leverage ratio = Net Tier I capital/Exposure measurement.

45. CASH FLOW INFORMATION

Changes in Liabilities Arising from Financing Activities

For the year ended December 31, 2024

Liabilities Items	Beginning Balance	Cash Inflows (Outflows)	Non-cash Changes: Exchange Rate	Non-cash Changes: Others	Ending Balance
Funds borrowed from the Central Bank and other banks	$ 133,333	$ 1,030,000	$ -	$ -	$ 1,163,333
Securities sold under repurchase agreement	1,255,766	1,277,327	110,532	-	2,643,625
Bank debentures	16,901,900	-	-	-	16,901,900
Other financial liabilities (except for financial transaction margin)	1,546,639	(523,666)	-	3,769	1,026,742
Lease liabilities	1,108,714	(408,933)	3,853	220,535	924,169
	$ 20,946,352	$ 1,374,728	$ 114,385	$ 224,304	$ 22,659,769

For the year ended December 31, 2023

Liabilities Items	Beginning Balance	Cash Inflows (Outflows)	Non-cash Changes: Exchange Rate	Non-cash Changes: Others	Ending Balance
Funds borrowed from the Central Bank and other banks	$ -	$ 133,333	$ -	$ -	$ 133,333
Securities sold under repurchase agreement	4,598,749	(3,392,676)	49,693	-	1,255,766
Bank debentures	20,901,900	(4,000,000)	-	-	16,901,900
Other financial liabilities (except for financial transaction margin)	1,078,059	461,986	-	6,594	1,546,639
Lease liabilities	965,817	(405,178)	(345)	548,420	1,108,714
	$ 27,544,525	$ (7,202,535)	$ 49,348	$ 555,014	$ 20,946,352

46. SEGMENT INFORMATION

Information provided to the Bank's and its subsidiaries' chief operating decision makers for resource allocation and segment performance assessment focuses on nature of operation and profits. Based on IFRS 8 - "Operating Segments," the reportable segments were as follows:

a. Individual banking: Responsible for investment management, consumer finance, credit card, and trust business;

b. Corporate banking: Responsible for corporate-related business and foreign-currency business;

c. Financial market: Responsible for investing financial instruments, operating financial market and using working capital in a dispatch business;

d. Others: Any business not included the list above.

Segment Income and Operating Results

The accounting policies adopted by each reportable segment are the same as those stated in Note 4 to the consolidated financial statements.

The income and operating results of the reportable segments of the Bank and its subsidiaries were as follows:

	Individual Banking	Corporate Banking (Including Overseas Branches)	Financial Market	Others	Total
For the year ended December 31, 2024					
Net interests	$ 3,945,991	$ 3,846,112	$ (210,691)	$ (1,660,369)	$ 5,921,043
Net revenues and gains other than interest					
Net service fee income	2,182,167	619,514	(46,012)	259,290	3,014,959
Other net income	288,419	149,417	2,337,278	1,146,597	3,921,711
Net revenues	6,416,577	4,615,043	2,080,575	(254,482)	12,857,713
Reversal of (provision for) bad debt expenses	(176,059)	8,880	56,434	(28,823)	(139,568)
Operating expenses	(5,216,549)	(1,523,026)	(537,239)	(571,403)	(7,848,217)
Segment income before income tax	$ 1,023,969	$ 3,100,897	$ 1,599,770	$ (854,708)	$ 4,869,928
For the year ended December 31, 2023					
Net interests	$ 3,869,797	$ 3,962,112	$ (470,424)	$ (856,447)	$ 6,505,038
Net revenues and gains other than interest					
Net service fee income	1,824,069	682,545	(36,964)	169,597	2,639,247
Other net income	293,640	214,424	2,476,555	664,771	3,649,390
Net revenues	5,987,506	4,859,081	1,969,167	(22,079)	12,793,675
Provision for bad debt expenses	(132,699)	(400,952)	(5,475)	(1,112)	(540,238)
Operating expenses	(5,021,241)	(1,443,629)	(528,631)	(552,864)	(7,546,365)
Segment income before income tax	$ 833,566	$ 3,014,500	$ 1,435,061	$ (576,055)	$ 4,707,072

47. ADDITIONAL DISCLOSURES

a. Information about significant transactions:

1) Marketable securities acquired and disposed of at cost or prices at least NT$300 million or 10% of the paid-in capital: Nil

2) Acquisition of individual real estate at cost of at least NT$300 million or 10% of the paid-in capital: Table 1 (attached)

3) Disposal of individual real estate at prices of at least NT$300 million or 10% of the paid-in capital: Nil

4) Service charge discounts on transactions with related parties in aggregated amount of at least NT$5 million: Nil

5) Receivables from related parties amounting to at least NT$300 million or 10% of the paid-in capital: Nil

6) Sale of nonperforming loans: Nil

7) The type and related information of any securitization product that has been approved in accordance with the Financial Asset Securitization Act or the Real Estate Securitization Act: Nil

8) Intercompany relationships and significant intercompany transactions: Table 2 (attached)

9) Other significant transactions which may have effects on decision making of financial statement users: Nil

b. Information of subsidiaries' financing provided, endorsement/guarantee provided, marketable securities held, marketable securities acquired and disposed of at cost or prices at least NT$300 million or 10% of the paid-in capital and derivative transactions: Table 3 (attached)

c. Related information of investees on which the Bank exercises significant influence: Table 4 (attached)

d. Information about branches and investments in mainland China: Table 5 (attached)

e. Information about major shareholders: Name, number of shares, and percentage of ownership of shareholders holding more than 5% of the shares: Nil

TABLE 1

FAR EASTERN INTERNATIONAL BANK LTD. AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT$300 MILLION OR 10% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
The Bank	The construction base development project contract	May 8, 2024	$ 485,729 (Note 1)	Payment will be made based on the progress of project construction over the time period stipulated in the contract. As of December 31, 2024, payment has not yet started.	Far Eastern Construction Co., Ltd.	Chairman is the director of the Bank.	Not applicable (Note 2)	Not applicable (Note 2)	Not applicable (Note 2)	Not applicable (Note 2)	Reference to the market price and appraisal report.	To build office for the headquarters of the Bank.	According to the contract.

Note 1: The estimated value of the entrusted construction contract is $2,485,449 thousand. The Bank will allocate the construction costs in proportion to the space of the building base held. The Bank is expected to afford $485,729 thousand. The contract stipulates that if there is an additional construction cost, it will be limited to 15% of the original contract amount.

Note 2: The case is a commissioned construction base development project on self-owned land, and previous transfer information is not applicable.

TABLE 2

FAR EASTERN INTERNATIONAL BANK LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company Name	Counterparty	Flow of Transaction	Transaction Details			
				Financial Statement Account	Amount	Terms	Percentage of Consolidated Net Profit or Consolidated Total Assets (%, Note 2)
0	Far Eastern International Bank Ltd.	Far Eastern Asset Management Co., Ltd.	From parent company to subsidiary	Deposits and remittances	$ 211,445	Note 3	0.02
		Far Eastern International Securities Co., Ltd.	From parent company to subsidiary	Deposits and remittances	312,897	Note 3	0.04
		Far Eastern International Securities Co., Ltd.	From parent company to subsidiary	Interest expense	2,561	Note 3	0.02
		Far Eastern International Securities Co., Ltd.	From parent company to subsidiary	Service fee expense	660	Note 3	0.01
		Far Eastern International Securities Co., Ltd.	From parent company to subsidiary	Loss on disposal of financial assets at FVTPL	799	Note 3	0.01
1	Far Eastern Asset Management Co., Ltd.	Far Eastern International Bank Ltd.	From subsidiary to parent company	Cash and cash equivalents	211,445	Note 3	0.02
2	Far Eastern International Securities Co., Ltd.	Far Eastern International Bank Ltd.	From subsidiary to parent company	Cash and cash equivalents	312,897	Note 3	0.04
		Far Eastern International Bank Ltd.	From subsidiary to parent company	Interest revenue	2,561	Note 3	0.02
		Far Eastern International Bank Ltd.	From subsidiary to parent company	Service fee income	1,459	Note 3	0.01

Note 1: Transacting parties are identified as follows: Number 0 - parent company; and number 1 and the following numbers - subsidiaries.

Note 2: The ratio is calculated as follows: For asset and liability accounts = Transaction amount/Consolidated total assets; and for income and expenses = Transaction amount/Consolidated net profit.

Note 3: The terms of intercompany transactions are not significantly different from those with third parties.

TABLE 3

FAR EASTERN INTERNATIONAL BANK LTD. AND SUBSIDIARIES

SUBSIDIARIES' FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing (Note 2)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 3)	Aggregate Financing Limit (Note 3)
													Item	Value		
1	FEIB Financial Leasing Co., Ltd.	A company	Other receivables	No	$ 16,114	$ 16,114	$ 16,114	10.0%	1	$ 18,128	-	$ 322	Real estate	$ 33,770	$ 329,882	$ 1,099,607
2	Far Eastern Asset Management Co., Ltd.	B company	Receivables	No	100,000	100,000	100,000	7.5%	1	100,000	-	-	Real estate	207,298	1,716,687	3,433,374

Note 1: No. column is coded as follows:

a. The Issuer is coded "0".
b. The investees are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: The nature of financing is described as follows:

a. Business transaction is coded "1".
b. Short-term financing is coded "2".

Note 3: The limits on financing are as follows:

a. Financing limit for each borrower

FEIB Financial Leasing Co., Ltd.:

1) In the case of lending funds to companies or firms who have a business relationship with the lender, the total lending amount to an individual borrower shall not exceed 30% of the net value of the lender as shown in the latest financial report audited by a CPA.

2) In the case of lending funds to the companies or firms in need of short-term financing, the total lending amount to an individual borrower shall not exceed 30% of the net value of the lender as shown in the latest financial report audited by a CPA.

Far Eastern Asset Management Co., Ltd.:

1) The total lending amount to an individual borrower shall not exceed the net value of the lender as shown in the latest financial report audited by a CPA.

b. Aggregate financing limit

FEIB Financial Leasing Co., Ltd.:

1) In the case of lending funds to companies or firms who have a business relationship with the lender, the total accumulation lending amount to an individual borrower shall not exceed two times of the net value of the lender as shown in the latest financial report audited by a CPA.

2) In the case of lending funds to the companies or firms in need of short-term financing, the total accumulation lending amount to an individual borrower shall not exceed 40% of the net value of the lender as shown in the latest financial report audited by a CPA.

The total accumulated lending amount of the above shall not exceed the net value of the lender as shown in the latest financial report audited by a CPA.

Far Eastern Asset Management Co., Ltd.:

1) The total lending amount to an individual borrower shall not exceed 200% of the net value of the lender, as shown in the latest financial report audited by a CPA.

FAR EASTERN INTERNATIONAL BANK LTD. AND SUBSIDIARIES

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

Investee Company	Location	Main Business and Product	Percentage of Ownership (%)	Carrying Amount	Investment Income (Loss) Recognized	The Proportionate Share of the Bank, Its Subsidiaries and Their Affiliates in Investees (Note 1)				Note
						Present Shares (In Thousands)	Pro Forma Shares (Note 2)	Total		
								Shares (In Thousands)	Percentage of Ownership (%)	
Held by the Bank										
Financial business										
Deutsche Far Eastern Asset Management Co., Ltd.	7F, No. 207 Dun Hwa South Road, Sec. 2, Taipei, Taiwan	Securities investment trust funds	40.00	$ 168,002	$ 25,611	12,000	-	12,000	40.00	
Dah Chung Bills Finance Corp.	4F, 4F-1, 4F-2, 4F-3, Np. 88 Dun Hwa North Road, Taipei, Taiwan	Underwriting, dealing and brokering of short-term bills	29.58	2,615,099	126,873	143,515	-	143,515	29.58	
Far Eastern Asset Management Co., Ltd.	Room B, 17F, No. 207, Dun Hwa South Road, Sec. 2, Taipei, Taiwan	Purchase, evaluation, auction and management of creditor's rights to financial institutions	100.00	1,716,687	34,348	168,400	-	168,400	100.00	
Far Eastern International Securities Co., Ltd.	51F, No. 7, Xinyi Road, Sec. 5, Taipei, Taiwan	Foreign securities broker, wealth management and offshore fund consulting	100.00	422,925	20,649	26,000	-	26,000	100.00	
Taipei Foreign Exchange Agency Co., Ltd.	8F., No. 400, Bade Road, Sec. 2, Taipei, Taiwan	Foreign exchange, cross-currency swaps, etc.	0.40	4,066	-	80	-	80	0.40	
Sunshine Asset Management Co., Ltd.	15F., No. 218, Dun Hwa South Road, Sec. 2, Taipei, Taiwan	Management of creditor's rights and rendering of commercial detective services	3.46	2,830	-	207	-	207	3.46	
Financial Information Service Co., Ltd.	No. 81, Kangning Road, Sec. 3, Taipei, Taiwan	Data processing service and electronic information supply	1.14	318,258	-	7,719	-	7,719	1.14	
Held by Far Eastern Asset Management Co., Ltd.										
Financial business										
FEIB Financial Leasing Co., Ltd.	8F., Far Eastern Plaza, No. 28, Bailianjing Road, Pudong New District, Shanghai, China	Leasing operation	100.00	1,099,607	6,407	N/A	-	N/A	100.00	

Note 1: The Bank, board chairman, supervisors, managing directors, and the shares of investee companies invested in by related parties which comply with corporation law are considered.

Note 2: Routes of investment are listed below:

a. Pro forma shares are shares that are assumed to be obtained through buying equity-based securities or entering into equity-linked derivative contracts for purposes defined in Article 74 of the Banking Law.
b. Equity-based securities, such as convertible bonds and warrants, are covered by Article 11 of "Securities and Exchange Law Enforcement Rules".
c. Derivative contracts, such as stock options, are those conforming to the definition of derivatives in International Financial Reporting Standard 9.

FAR EASTERN INTERNATIONAL BANK LTD. AND SUBSIDIARIES

INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company Name	Main Business and Product	Total Paid-in Capital (Note 4)	Investment Type (Note 1)	Accumulated Outflow of Investment as of January 1, 2024	Investment Flow (Note 4)		Accumulated Outflow of Investment as of December 31, 2024 (Note 4)	Net Income (Loss) of Investee (Notes 2 and 5)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 2 and 5)	Carrying Value as of December 31, 2024 (Note 2)	Accumulated Inward Remittance of Earnings as of December 31, 2024	Note
					Outflow	Inflow							
FEIB Financial Leasing Co., Ltd.	Leasing operation	$ 983,430 (US$ 30,000 thousand)	a	$ 983,430 (US$ 30,000 thousand)	$ -	$ -	$ 983,430 (US$ 30,000 thousand)	$ 6,407 (CNY 1,457 thousand)	100	$ 6,407 (CNY 1,457 thousand)	$ 1,099,607	$ -	

Accumulated Investment in Mainland China as of December 31, 2024 (Note 4)	Investment Amount Authorized by Investment Commission, MOEA (Note 4)	Limit on Investment Authorized by Investment Commission MOEA (Note 3)
$983,430 (US$30,000 thousand)	$983,430 (US$30,000 thousand)	$1,030,012

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

a. Direct investment.
b. Investment via third place company (state third place investment company).
c. Others.

Note 2: Calculation based on investee company's financial statements audited by a local CPA and covering the same reporting period as that of Far Eastern International Bank.

Note 3: Under the "Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China" announced by Investment Commission, MOEA, upper limit is calculated by applicant company - Far Eastern Asset Management Co., Ltd.

Note 4: Calculated using the closing exchange rate on December 31, 2024.

Note 5: Calculated using the average exchange rate for the year ended 2024.