Stock Code: 5876
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Printed on March 2025

2024 Annual Report

Warmth • Ease • Respect

三地上銀 一心為您

處處為您著想 ……..

上海商業儲蓄銀行

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

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③ Kuo, Ching-Yi
④ Fang, Yen-Ling (Independent Director)

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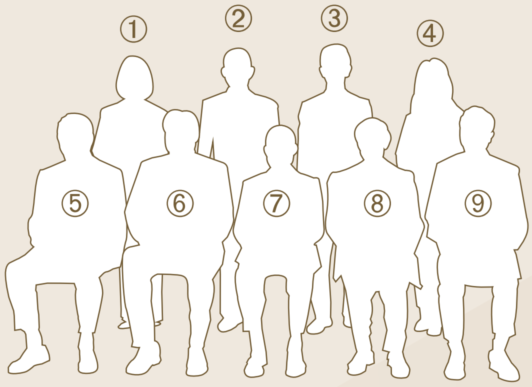
⑤ Yung, Chu-Kuen
⑥ Yung Con-Sing John (Vice Chairman)
⑦ Lee Ching Yen Stephen (Chairman)
⑧ Chen, Mu-Tsai (Independent Managing Director)
⑨ Chiou, Yi-Jen



▲ SCSB's New Headquarters Grand Opening Ceremony

▲ Nan Ke Branch Opening Ceremony

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▲ SCSB's Good Voice Tournament

▲ SCSB's Bowling Tournament

▲ PukiiBank Finance Learning Camp

▲ RPA Project with the Accounting Department of NTU

▲ Invited to the Fintech Taipei 2024

▶ SCSB involved in various social welfare activities to fulfill ESG. ◀

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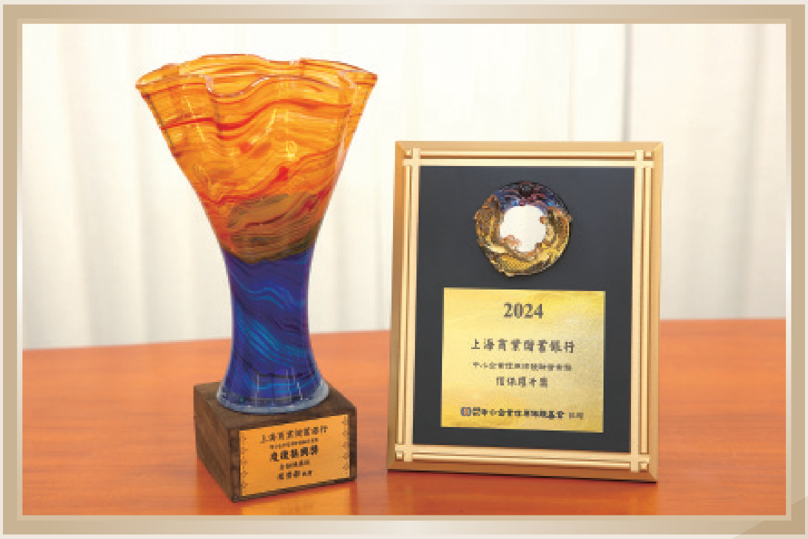


▶ SCSB received awards to affirm the outstanding performance. ◀

LEE, CHING-YEN
Chairman

1. Foreword

In 2024, ECB and Fed adopted interest rate cuts, while geopolitical conflicts, including escalating tensions in the Middle East and the unresolved Russo-Ukrainian War, drove changes in the global economic and financial markets. Adhering to the principles of "asset safety, liquidity sufficiency, and capital adequacy," SCSB stably expanded business and consistently delivered operational performance. The net income reached NT$13.48 billion, with after tax EPS at NT$2.78. The year-end efficiency ratio was 37.75%, NPL ratio was 0.25%, the liquid reserves ratio was 27.61%, and the capital adequacy ratio was 15.01%.

The results of SCSB's operating performance in 2024, business plans and future development strategies for 2025, the impacts and countermeasures of external competitive environment, regulatory environment and macroeconomic environment, and the latest affirmed credit ratings are illustrated as follows.

2. Operating Performance in 2024

(1) Overview of Global & Domestic Financial Environment

In 2024, global economic conditions were clouded by uncertainties stemming from factors such as geopolitical tensions, the U.S.-China tech war, and the U.S. presidential election. Nevertheless, Taiwan's AI supply chain, positioned at the pivot of the global market, capitalized on AI-driven business opportunities, which bolstered the overall ICT industry. The economy maintained a positive trajectory, achieving an annual growth rate of 4.59%, exceeding the 1.12% recorded in the previous year. On the financial front, Fed began cutting interest rates in September, implementing three rate cuts totaling one percentage point for the year. Meanwhile, Taiwan's CBC adopted a moderately tightening monetary policy, raising interest rates by only 0.125 percentage points for the year. The New Taiwan dollar depreciated by 6.24% against the U.S. dollar, closing the year at NT$32.781, marking its lowest level in nine years under the pressure of strong U.S. dollar. The stock market, fueled by the AI boom, performed exceptionally well. TAIEX closed at 23,035 points at year-end, reaching a record high, with an annual increase of 28.5%.

(2) Organization Changes

In June 2024, SCSB's shareholders' meeting completed the election of new directors, with Mr. Lee, Ching-Yen reappointed as chairman and Mr. Yung, Con-Sing serving as vice chairman. To enhance the coverage of financial services in metropolitan areas, SCSB established two new branches, the Nan Ke Branch in Tainan City and the Miaoli Branch in Miaoli County during the first quarter, aiming to develop new markets, attract new customers, and expand operational and profit scales. To strengthen smart financial services, SCSB established AI Laboratory during the year to accelerate the application of AI in business services and management. SCSB also continued to advance digital culture, smart finance, financial inclusion, scenario-based finance and SCSB's Cloud Bank. To enhance financial trading capabilities, SCSB upgraded financial trading and risk management systems, recruited senior financial trading talent, strengthened the innovation and development of financial products, and actively expanded financial marketing promotions.

(3) Business Plans, Strategies and Performance

The 2024 business plan focused on developing multi-core businesses, including corporate banking, personal banking, wealth management, treasury marketing, deposits and remittances. SCSB continuously strengthened digital finance, innovated financial products and services, recruited workforce from various fields, and promoted sustainable development, thereby improving corporate image.

The results of 2024 business plans and strategies were reflected on the performance of main businesses and profits, year on year, in which the average deposit balance was NT$1,261.6 billion, up 0.8%, and average loan balance was NT$879.7 billion, up 1.3%; profit before income tax was NT$15.01 billion, down 8.9%, net income was NT$13.48 billion, down 8.0%; EPS was NT$2.78, down 7.9%; after-tax return on assets and after-tax return on equity were 0.84% and 7.07% respectively.

KUO, CHING-YI
President

(4) Budget Achievement

As for the implementation of main businesses and profit before income tax in 2024, the budget achieving ratio for average deposit balance was 93.9% and average loan balance was 94.9%. The achieving ratio of profit before income tax was only 75.8%, due to the reduction in income from investments adopted by the equity method.

(5) Income, Expense and Profit

Unit: NT$ Billion, except as indicated

Item / Year	2024	2023	Change(%)
Net interest income	19.03	19.78	-3.8%
Total non-interest income	8.42	8.63	-2.4%
Net revenue	27.45	28.41	-3.4%
Provisions for bad-debt expense, commitment and guarantee liability	2.61	2.70	-3.3%
Total operating expenses	9.83	9.23	6.5%
Profit before income tax	15.01	16.48	-8.9%
Net income	13.48	14.66	-8.0%
Earnings Per Share (in dollars)	2.78	3.02	-7.9%
ROA (after income tax)(%)	0.84	0.95	-0.1%
ROE (after income tax)(%)	7.07	8.30	-1.2%

Note: Change of ROA (after income tax) and Change of ROE (after income tax) both based on net increase or net decrease.

(6) Research and Development

In 2024, SCSB continued to develop innovative products and services with a customer-centered approach based on customers' needs. SCSB also strengthened the application of financial technology and implemented projects for the establishment of new core systems, upgrading digital finance services. In terms of corporate banking, SCSB continued to align with government policies, made full use of Small and Medium Enterprise Credit Guarantee Fund mechanisms, and enhanced the development of SME financing, and overseas investment and financing by launching diversified credit projects. As for personal banking, SCSB prudently adjusted the structure and improved the efficiency of assets in response to the Central Bank's credit control measures. All four-line relationship managers took the initiative in marketing to provide good financial plans for customers. In terms of customer finance, SCSB continued to expand customer base by using big data, focused on the management of high-net-worth customers, strengthened the visibility of the financial management brand and the development of products, actively developed and promoted the trust business, optimized the insurance operation process and accelerated the digitalization of commodities.

In terms of deposits and remittances, SCSB paid attention to the stability of deposits, reduced funding costs and adjusted the structure, aiming to maintain the most suitable stock to facilitate the development of lending and wealth management. Meanwhile, SCSB strengthened the professional training and legal compliance of deposit personnel and officially launched the teller daily closing account. As for treasury, SCSB launched OBU underwriting and dealing business, independently developed an AI system to manage foreign currency bond positions and obtained CFETS membership for the interbank foreign exchange market, officially commenced USD/CNY spot foreign exchange quotation and trading services. In terms of digital banking, SCSB continued to optimize the transaction and service functions of online banking, increased the portion of digital finance transactions, and built a digital financial ecosystem.

SCSB have aligned with international trends and achieved significant results in promoting sustainable development. During the year, SCSB obtained ISO 20400:2017 certification for sustainable procurement guidelines, received a management-level B score in the Carbon Disclosure Project, were included in the S&P Global Sustainability Yearbook, and ranked among the top 10% of global banks for ESG sustainability performance. Additionally, SCSB were once again selected as a constituent stock in both the Dow Jones Sustainability World Index and Emerging Markets Index. SCSB have enthusiastically complied with the government's policies of 2050 Net-Zero Emissions and Green Finance Action Plan 3.0. SCSB also achieved carbon neutrality for credit cards and debit cards and approved to submit the Science-Based Targets plan, reaffirming the commitment to driving the net-zero transition.

3. Business Plans for 2025

(1) Business Guidelines

In 2025, SCSB's strategic focus will be on "preserving sustainability and driving smart innovation," upholding the spirit of founding principles, strengthening operational capital, promoting sustainable development, and creating enduring value. Leveraging financial technology, SCSB will advance artificial intelligence, innovate products and services, and expand diverse business opportunities.

(2) Business Targets

Taking into account factors including economic growth forecasts, market competition, as well as the growth result in 2024 and business strategies for 2025, SCSB is setting up appropriate growth for 2025 targets.

(3) Business Policies

A. Fundamental Policy: Maintain stable operations with integrity, achieve healthy and balanced growth, actively pursue sustainable development, and create excellent business results and sustainable achievements.

B. Operating Policy: Develop diverse core businesses with equal emphasis on corporate banking, personal banking, wealth management, treasury, and deposits, and strengthen digital banking business.

C. Sales Policy: Strengthen ties with core value customers, provide all-around financial products and services, promote integrated marketing of asset inheritance, and attach importance to fair customer treatment and financial consumer protection.

D. Management Policy: Implement the three lines of defense in internal control, optimize risk management, enhance information security, cultivate a compliance culture, and refine corporate governance.

4. Future Development Strategies

SCSB's main development strategies for 2025 are as follows:

(1) Overall operations: Maintain operations with integrity and legal compliance, achieve a balanced and steady development, place equal emphasis on operations and management, and perfect financial businesses

(2) Channel development: Deepen the market in Taiwan, optimize the tri-"SHANGHAI BANK" alliance, continue to gain greater presence in the Asia-Pacific region, and establish comprehensive service networks.

(3) Business development: Develop multiple cores, strengthen treasury finance, expand high-net-worth management services, and increase non-interest income.

(4) Customer relations: Treat customers with fairness, develop high-quality customer base, promote integrated marketing, and expand cross-border business.

(5) Digital banking: Leverage financial technology, develop artificial intelligence, enhance customer experience, and promote financial inclusion.

(6) Information technology: Stabilize system operations, upgrade core systems, strengthen information utilization, and refine cybersecurity governance.

(7) Risk management: Strengthen risk management, optimize early warning mechanisms, maintain asset quality, and enhance capital management.

(8) Human resources: Attract a diverse workforce, enhance professional competencies, strengthen management succession, and enrich human capital.

(9) Internal management: Strengthen internal control, fully implement the three lines of defense, embed the culture of compliance, and implement money laundering prevention.

(10) Sustainable development: Promote sustainable finance, implement carbon reduction policies, fulfill social responsibilities, and refine corporate governance.

5. The Impacts and Countermeasures of the External Competitive Environment, Regulatory Environment, and Macroeconomic Environment

(1) External Competitive Environment

Structural changes such as divergent monetary policy adjustments among major global economies, frequent international capital flows exacerbating financial market volatility, and heightened risks of climate change have contributed to increased economic and price instability. In response to external competitive pressures, SCSB will aim to pursue value-based competition over price-based competition, accelerate digital and sustainable transition, deepen customer relationships, and continue strengthening presence in the Asia-Pacific region to enhance competitiveness.

(2) Regulatory Environment

FSC has established guidelines for the application of artificial intelligence technology to enhance the competitiveness of digital finance. FSC has also released the Green and Transitional Finance Action Plan to expand financial support in scope and intensity, assisting the government and businesses in transition to net zero. SCSB will actively align with FSC policies, implement sustainable development initiatives, and continue to strengthen digital financial technology and financial resilience.

(3) Macroeconomic Environment

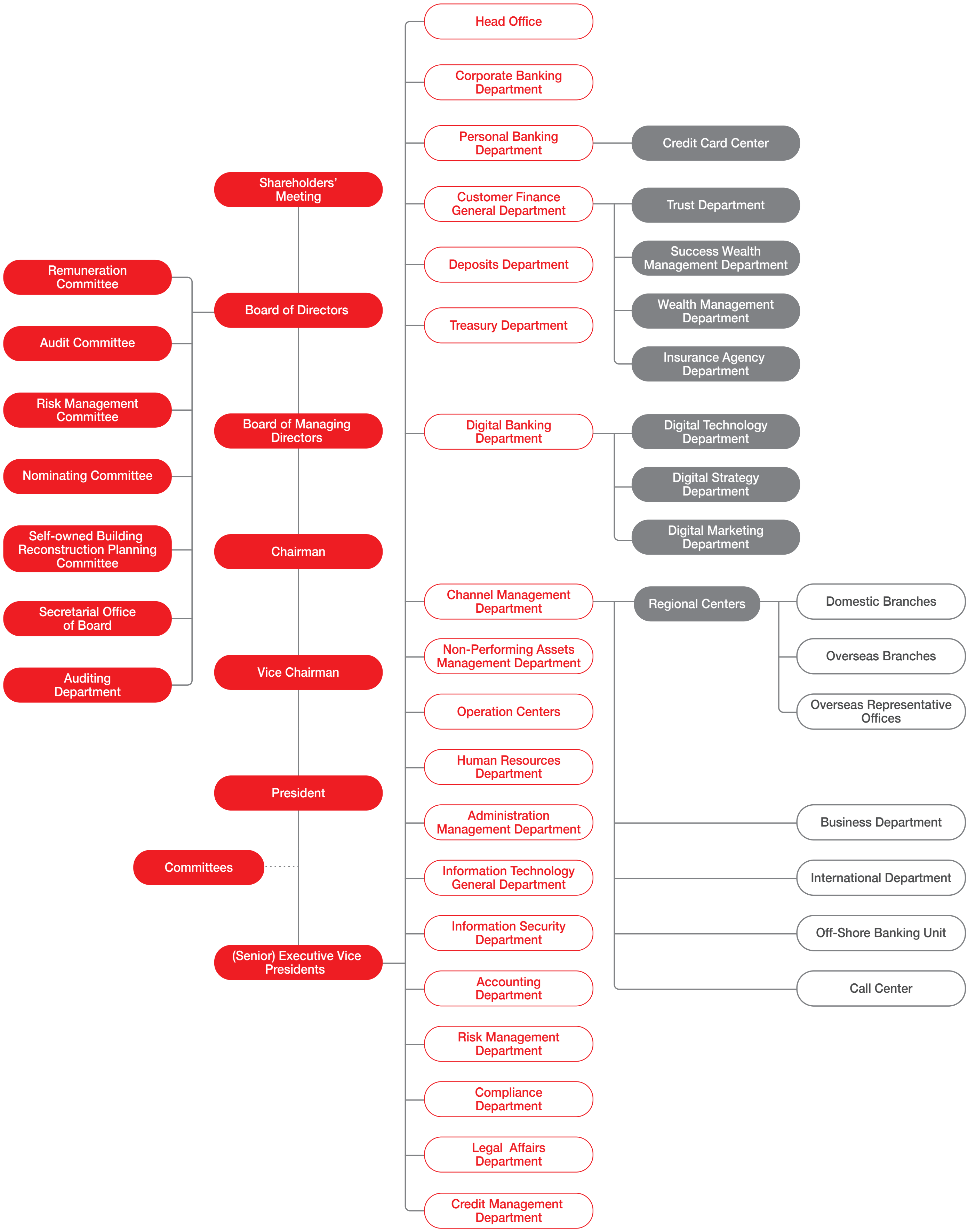
In 2025, international geopolitical tensions are expected to persist, Taiwan's CBC is likely to tighten controls over the housing market, and foreign currency interest rate cuts will further compress interest spreads. In the face of such volatile external challenges, SCSB will examine changes to the business environment at all times and anticipate future development trends, seize market opportunities, and adopt suitable operational measures to stably expand businesses and create sources of revenue and profit.

6. Credit Ratings

Rating Agency	Ratings		Outlook	Release Date
	Long-term	Short-term		
Taiwan Ratings	twAA	twA-1+	Stable	2024/12/18
Fitch Ratings, Taiwan Branch	AA(twn)	F1+(twn)	Stable	2024/03/22
S&P Global Ratings	BBB+	A-2	Stable	2025/01/20
Fitch Ratings	A-	F2	Stable	2024/03/22

Going ahead, SCSB will steadfastly uphold business goal of "serving society, supporting industry, and promoting international trade" to develop artificial intelligence and smart technology, stimulate digital transformation, foster sustainable development, and create sustainable value. Other development strategies are innovative products and services, diversified core development, increased non-interest income, and enhanced capital efficiency. SCSB will continue to strengthen talent cultivation, steadily promote business development, and attach importance to the environment, society, and corporate governance. All employees will also uphold service ideals for "warmth, ease and respect" and "always placing customers' needs first" and work together to create the outstanding performance. SCSB welcomes and appreciates the continued guidance and support from all shareholders.

Organization Chart



Headquarters and Branches

OFFICES	ADDRESS	TEL/FAX
● Headquarters	No. 2, Sec. 1, Minquan E. Rd., Taipei City, Taiwan Web Site: https://www.scsb.com.tw	(02)2581-7111 (02)6608-2668
● Business Department	No. 2, Sec. 1, Minquan E. Rd., Taipei City, Taiwan	(02)2581-7111 (02)2591-0653
● International Department	No. 2, Sec. 1, Minquan E. Rd., Taipei City, Taiwan	(02)2581-7111 (02)2567-1907
● Trust Department	2F, No. 16, Sec. 2, Jen Ai Rd., Taipei City, Taiwan	(02)2356-8111 (02)2394-1556
● Off Shore Banking Unit	4F, No. 2, Sec. 1, Minquan E. Rd., Taipei City, Taiwan	(02)2581-7111 (02)2591-0673
● Credit Card Center	4F, No. 87, Jheng Jhou Rd., Taipei City, Taiwan	(02)2558-2111 (02)2559-2319
● Savings Department Branch	No. 120, Sec. 2, Jianguo N. Rd., Taipei City, Taiwan	(02)2515-9111 (02)2505-5360
● Cheng Chung Branch	No. 28, Kuan Chien Rd., Taipei City, Taiwan	(02)2312-3111 (02)2382-1750
● East Taipei City Branch	No. 89, Sung Chiang Rd., Taipei City, Taiwan	(02)2515-2111 (02)2507-8962
● Hsin Yi Branch	No. 40, Sec. 2, Tun Hua S. Rd., Taipei City, Taiwan	(02)2701-8111 (02)2708-4442
● Min Sheng Branch	No. 203, Fu Hsing N. Rd., Taipei City, Taiwan	(02)2546-5111 (02)2719-7206
● Chung Hsiao Branch	No. 225, Sec. 1, Tun Hua S. Rd., Taipei City, Taiwan	(02)2740-9111 (02)2773-3966
● Jen Ai Branch	No. 16, Sec. 2, Jen Ai Rd., Taipei City, Taiwan	(02)2393-3111 (02)2393-4773
● Shung Shan Branch	No. 319, Sec. 4, Pa Teh Rd., Taipei City, Taiwan	(02)2767-9111 (02)2769-3732
● Lung Shang Branch	No. 57, Neijiang St., Taipei City, Taiwan	(02)2311-5111 (02)2371-9953
● Chung Shan Branch	No. 46, Sec. 1, Nan King E. Rd., Taipei City, Taiwan	(02)2562-5111 (02)2562-5471
● Nei Hu Branch	No. 166, Sec. 4, Cheng Kung Rd., Taipei City, Taiwan	(02)2792-1111 (02)2794-2884
● Sung Nan Branch	No. 275, Sec. 4, Hsin Yi Rd., Taipei City, Taiwan	(02)2703-7111 (02)2704-1722
● Shih Lin Branch	No. 328, Chung Cheng Rd., Shihlin, Taipei City, Taiwan	(02)2833-6111 (02)2835-6871
● Nan King East Road Branch	No. 163, Sec. 4, Nan King E. Rd., Taipei City, Taiwan	(02)2546-7111 (02)2713-3783
● World Trade Center Branch	No. 171-6, Sung Teh Rd., Taipei City, Taiwan	(02)2759-7111 (02)2727-7894
● Cheng Teh Branch	No. 77, Sec. 2, Cheng Teh Rd., Taipei City, Taiwan	(02)2550-6111 (02)2550-2445
● San Ming Branch	No. 141, Sec. 5, Min Sheng E. Rd., Taipei City, Taiwan	(02)2748-7111 (02)2760-5300
● Tien Mou Branch	No. 125, Sec. 7, Chung Shan N. Rd., Taipei City, Taiwan	(02)2873-9111 (02)2873-4111
● Nei Hu Technology Park Branch	No. 259, Sec. 2, Tiding Blvd., Taipei City, Taiwan	(02)2657-6111 (02)2657-5608
● Hsi Hu Branch	No. 48, Lane 188, Ruei Guang Rd., Taipei City, Taiwan	(02)2659-9111 (02)2657-8797
● Nangang Branch	No. 200, Chong Yang Rd., Taipei City, Taiwan	(02)2783-2111 (02)2651-2111
● Wen Shan Branch	No. 251, Sec. 5, Roosevelt Rd., Taipei City, Taiwan	(02)8663-2111 (02)8663-6588
● Dun Pei Branch	No. 142, Sec. 3, Min Chuan E. Rd., Taipei City, Taiwan	(02)2716-8111 (02)2716-1868

OFFICES	ADDRESS	TEL/FAX
• Sung Chiang Branch	No. 143, Chang Chun Rd., Taipei City, Taiwan	(02)2563-6111 (02)2563-5569
• Yongji Branch	No. 369, Yongji Rd., Taipei City, Taiwan	(02)2766-2111 (02)2760-5656
• San Chung Branch	No. 192-2, Sec. 3, Chongyang Rd., Sanchong Dist., New Taipei City, Taiwan	(02)2982-6111 (02)2980-0960
• Pan Chiao Branch	No. 69, Chung Cheng Rd., Panchiao Dist., New Taipei City, Taiwan	(02)2965-7111 (02)2965-5474
• Yung Ho Branch	No. 295, Fu Ho Rd., Yungho Dist., New Taipei City, Taiwan	(02)2231-2111 (02)2923-6544
• Hsin Chuang Branch	No. 85, Chung Ping Rd., Hsinchuang Dist., New Taipei City, Taiwan	(02)8991-2111 (02)2277-4863
• Hsin Tien Branch	No. 75, Min Chuan Rd., Hsintien Dist., New Taipei City, Taiwan	(02)8665-7111 (02)8911-9930
• Lu Chou Branch	No. 249, San Min Rd., Luchou Dist., New Taipei City, Taiwan	(02)2289-0111 (02)2289-6629
• Chung Ho Branch	No. 146, Sec. 2, Chung Shan Rd., Chungho Dist., New Taipei City, Taiwan	(02)2246-9111 (02)2249-4055
• North San Chung Branch	No. 45, Sec. 4, Tze Chiang Rd., Sanchung Dist., New Taipei City, Taiwan	(02)2286-2111 (02)2286-2380
• Tu Cheng Branch	No. 50, Sec. 3, Chin Cheng Rd., Tucheng Dist., New Taipei City, Taiwan	(02)2263-6111 (02)2266-6152
• Hsi Chih Branch	No. 81-2, Sec. 1, Hsin Tai 5th Rd., Hsichih Dist., New Taipei City, Taiwan	(02)2698-3111 (02)2698-0272
• Hwa Jiang Branch	No. 58, Juang Jing Rd., Panchiao Dist., New Taipei City, Taiwan	(02)2256-4111 (02)2250-3986
• Shu Lin Branch	No. 17, Shu Hsin Rd., Shulin Dist., New Taipei City, Taiwan	(02)2687-7111 (02)2687-7211
• North Chung Ho Branch	No. 106, Sec. 3, Chung Shan Rd., Chungho Dist., New Taipei City, Taiwan	(02)2228-7111 (02)2223-6538
• Erh Chung Branch	No. 10-2, Lane 609, Sec. 5, Chung Hsin Rd., Sanchung Dist., New Taipei City, Taiwan	(02)2278-7111 (02)2278-4093
• Dan Feng Branch	No. 708-5, Chung Cheng Rd., Hsinchuang Dist., New Taipei City, Taiwan	(02)2903-8111 (02)2903-8205
• North Xinzhuang Branch	No. 738-3, Zhongyang Rd., Xinzhuang Dist., New Taipei City, Taiwan	(02)8991-0111 (02)8993-3111
• Lin Kou Branch	No. 81, Sec. 2, Wenhua 3rd Rd., LinKou Dist., New Taipei City City , Taiwan	(02)8979-4111 (02)8979-6111
• Keelung Branch	No. 205, Ren Er Rd., Keelung City, Taiwan	(02)2427-7111 (02)2426-3125
• Yilan Branch	No. 160, Sec. 1, Chung Cheng Rd., Wujie Township, Yilan County, Taiwan	(03)953-2111 (03)957-5896
• Tao Yuan Branch	No. 178, Sec. 3, San Min Rd., Taoyuan Dist., Taoyuan City, Taiwan	(03)336-9111 (03)335-7851
• North Tao Yuan Branch	No. 139, Tongde 6th St., Taoyuan Dist., Taoyuan City, Taiwan	(03)357-8111 (03)357-0375
• Chung Li Branch	No. 18, Sec. 1, Chung Mei Rd., Zhongli Dist., Taoyuan City, Taiwan	(03)426-3111 (03)426-3198
• Yang Mei Branch	No. 125, Hsin Cheng Rd., Yangmei Dist., Taoyuan City, Taiwan	(03)488-0111 (03)488-2777
• Yen Ping Branch	No. 551, Yen Ping Rd., Zhongli Dist., Taoyuan City, Taiwan	(03)426-2111 (03)426-6022
• Nan Kan Branch	No. 538, Sec. 1, Min Sheng N. Rd., Guishan Dist., Taoyuan City, Taiwan	(03)212-1111 (03)212-0666
• Guanyin Branch	No. 323, Sec. 2, Da Guan Rd., Guanyin Dist., Taoyuan City, Taiwan	(03)263-0111 (03)476-1611
• Hsin Chu Branch	No. 115, Bei Da Rd., Hsinchu City, Taiwan	(03)532-4111 (03)542-8898

OFFICES	ADDRESS	TEL/FAX
• Chu Ko Branch	No. 95, Puding 2nd Rd, East Dist., Hsinchu City, Taiwan	(03)563-9111 (03)563-9088
• North Hsinchu Branch	No. 198, Chung Cheng Rd., Hsinpu, Hsinchu City, Taiwan	(03)588-0111 (03)588-6111
• Chu Pei Branch	No. 208, Guangming 6th Rd., Dong Sec. 1, Chupei, Hsinchu City, Taiwan	(03)667-6111 (03)667-6122
• Miaoli Branch	No. 1201, Zhonghua Rd., Toufen City, Miaoli County, Taiwan	(037)684-111 (037)684-100
• Taichung Branch	No. 46, Sec. 2, San Min Rd., Taichung City, Taiwan	(04)2221-4111 (04)2220-2060
• Chung Kang Branch	No. 489, Sec. 2, Taiwan Blvd., West Dist., Taichung City, Taiwan	(04)2326-8111 (04)2328-6528
• Ta Li Branch	No. 127, Sec. 2, Yih Min Rd., Tali Dist., Taichung City, Taiwan	(04)2482-4111 (04)2481-9876
• Feng Yuan Branch	No. 95, San Min Rd., Fengyuan Dist., Taichung City, Taiwan	(04)2524-0111 (04)2522-9333
• Shizheng Branch	No. 406, Shizheng Rd, Xitun Dist., Taichung City, Taiwan	(04)2253-7111 (04)2253-0111
• Nantun Branch	No. 458, Sec. 4, Henan Rd., Nantun Dist., Taichung City, Taiwan	(04)2259-1111 (04)2252-3999
• Yuan Lin Branch	No. 129-1, Sec. 2, Datong Rd., Yuanlin City, Changhua County, Taiwan	(04)833-5111 (04)833-6750
• Tainan Branch	No. 305, Sec. 2, Chin Hwa Rd., Tainan City, Taiwan	(06)263-6111 (06)263-4441
• East Tainan Branch	No. 66, Sec. 2, Min Chu Rd., Tainan City, Taiwan	(06)223-7111 (06)223-6888
• Yung Kang Branch	No. 689, Hsiao Tung Rd., Yungkang Dist., Tainan City, Taiwan	(06)312-1111 (06)313-3874
• Nan Ke Branch	No. 112, Zhongzheng N. Rd., Yongkang Dist., Tainan City, Taiwan	(06)254-3111 (06)254-3112
• Kaohsiung Branch	No. 61, Chung Cheng 3rd Rd., Kaohsiung City, Taiwan	(07)231-5111 (07)282-1243
• Chien Chin Branch	No. 420, Cheng Kung 1st Rd., Kaohsiung City, Taiwan	(07)272-1111 (07)251-6002
• North Kaohsiung Branch	No. 160, Bo'ai 4th Rd., Zuoying Dist., Kaohsiung City, Taiwan	(07)961-8111 (07)348-1229
• Feng Shan Branch	No. 163, Guang Yeuan Rd., Fengshan Dist., Kaohsiung City, Taiwan	(07)710-5111 (07)719-4111
• East Kaohsiung Branch	No. 13-30, Renhsiung Rd., Renwu Dist., Kaohsiung City, Taiwan	(07)375-2111 (07)375-2108
• Ping Tung Branch	No. 468, Chung Cheng Rd., Pingtung City, Taiwan	(08)738-5111 (08)737-3891
• Hong Kong Branch	10/F Peninsula Office Tower, 18 Middle Road,Tsimshatsui, Kowloon, Hong Kong	852-39601111 852-21961000
• Dong Nai Branch	Floor 11, Sonadezi Building, No. 1, Road 1, Bien Hoa 1 Industrial Park, An Binh Ward, Bien Hoa City, Dong Nai Province, Vietnam	84-251-8875111 84-251-8826875
• Singapore Branch	3 Temasek Avenue, #26-02, Centennial Tower, Singapore 039190	65-6771-5111 65-6771-5578
• Wuxi Branch	No. 2-18-104, Longshan Road, Xinwu District, Wuxi City, Jiangsu Province, China	86-510-81157111 86-510-85210625
• Bangkok Representative Office	Room 1601, 16th FL, Sathorn Square Office Tower, No. 98, North Sathorn Road, Silom, Bangrak, Bangkok 10500 Thailand	66-21081611 66-21081311
• Phnom Penh Representative Office	13F, Phnom Penh Tower, No. 445, Preah Monivong Blvd., Sangkat Boeung Prolit, Khan 7 Makara, Phnom Penh, Kingdom of Cambodia	855-23-964811 855-23-964711
• Jakarta Representative Office	GD. Menara Batavia Lt. 8, Jl. K.H. Mas Mansyur Kav. 126 Kel. Karet Tengsin, Kec. Tanah Abang, Jakarta Pusat, Indonesia	62-21-57908111 62-21-57907111
• Bac Ninh Representative Office	3F, Viet Long Complex Building, No. 30, Ly Thai To Street, Ninh Xa Ward, Bac Ninh City, Bac Ninh Province, Vietnam	84-222-3656111 84-222-3630111

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

REPRESENTATION LETTER

The entities that are required to be included in the consolidated financial statements of affiliates in accordance with the " Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for the year ended December 31, 2024 are all the same as those included in the consolidated financial statements of The Shanghai Commercial & Savings Bank, Ltd, and its subsidiaries prepared in conformity with the International Financial Reporting Standard 10 " Consolidated Financial Statements". Relevant information that should be disclosed in the consolidated financial statements of affiliates is included in the consolidated financial statements of The Shanghai Commercial & Savings Bank, Ltd. and its subsidiaries. Hence, we did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,
THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.
By

Lee, Ching-Yen
Chairman
February 27, 2025

pwc 資誠

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

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

Opinion

We have audited the accompanying consolidated balance sheets of The Shanghai Commercial & Savings Bank, Ltd. (the "Bank") and its subsidiaries (collectively referred to as the "Group") as at December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 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, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants , Jin-Guan-Yin-Fa-Zi Letter No.10802731571 and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the 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, we do not provide a separate opinion on these matters.

Key audit matter for the Group's 2024 consolidated financial statements is stated as follows:

Allowance for credit losses of discounts and loans

Description

The core business of the Group is granting loans, which is significant to the accompanying consolidated financial statements for the current period. The impairment assessment of discounts and loans is conducted in accordance with International Financial Reporting Standards 9 ("IFRS 9") 'Financial instruments' and relevant regulations of allowances for credit losses promulgated by competent authorities. Management evaluates the impairment of discounts and loans using the expected credit loss model, with assumptions made based on past events, current market conditions and forward-looking information, to assess whether there is significant increase of credit risk since initial recognition to measure allowance of credit losses. In addition, credit losses for credit-impaired loans are evaluated based on recoverable amounts. Please refer to Notes 4, 5, 14 and 40 of the consolidated financial statements for relevant information on impairment of discounts and loans. The evaluation of allowance for credit losses of discounts and loans involves significant judgments such as accounting estimates and management's assumptions, and shall comply with relevant regulations and interpretations. The measurement results would impact the amount recognized directly. Thus, we have determined the allowance of credit losses of discounts and loans as the key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the key audit matter mentioned above:

1. Obtained an understanding and performed sample tests of internal controls as well as operation procedures related to management's evaluation of credit losses;
2. Sampled and tested the classification of expected credit loss impairment stages.
3. Sampled and tested whether parameter assumptions adopted in the expected credit loss model including probability of default, loss given default and exposure at default are in accordance with existing policies;
4. Sampled and tested credit-impaired cases with material amounts which were assessed individually;
5. Assessed whether the allowance for credit losses of discounts and loans is in compliance with relevant regulations of the competent authorities.

Other matter – Parent company only financial report

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

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 International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period 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.

Puo-Ju Kuo Wei-Tai Wu
For and on behalf of PricewaterhouseCoopers, Taiwan
February 27, 2025

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

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

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES
Consolidated Balance Sheets
December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

			December 31, 2024		December 31, 2023	
Codes	ASSETS	NOTES	Amount	%	Amount	%
11000	Cash and cash equivalents	6	$ 38,522,816	2	$ 57,458,262	3
11500	Due from the Central Bank and call loans to banks	7	432,246,360	17	385,084,350	16
12000	Financial assets measured at fair value through profit or loss	8	5,569,510	-	8,459,079	-
12100	Financial assets measured at fair value through other comprehensive income	9 and 11	475,245,104	19	388,589,217	16
12200	Investments in debt instruments measured at amortized cost	10 and 11	235,146,758	10	268,753,450	11
12500	Securities purchased under resell agreements	12	8,408,560	-	5,421,476	-
13000	Receivables, net	13	24,748,669	1	22,434,874	1
13200	Current income tax assets	34	185,113	-	201,172	-
13300	Assets held for sale, net	16	1,039,030	-	-	-
13500	Discounts and loans, net	14	1,221,016,517	49	1,231,280,546	51
15000	Investments under the equity method, net	16	1,559,287	-	2,123,915	-
15500	Other financial assets, net	17	1,872	-	3,497	-
18500	Properties, net	18	24,190,840	1	22,964,969	1
18600	Right-of-use assets, net	19	1,854,237	-	1,860,185	-
18700	Investment properties, net	20	7,978,542	-	7,265,031	-
19000	Intangible assets, net	21	2,194,494	-	2,127,094	-
19300	Deferred income tax assets	34	4,936,259	-	4,387,317	-
19500	Other assets, net	22	11,218,943	1	14,881,306	1
10000	Total assets		$ 2,496,062,911	100	$ 2,423,295,740	100
Codes	LIABILITIES AND EQUITY					
21000	Deposits from the central bank and other banks	23	$ 44,597,026	2	$ 40,741,321	2
22000	Financial liabilities measured at fair value through profit or loss	8	5,825,908	-	7,042,083	-
22500	Securities sold under repurchase agreements	24	4,783,153	-	591,289	-
23000	Payables	25	36,432,169	2	38,174,213	2
23200	Current income tax liabilities	34	956,186	-	2,247,639	-
23500	Deposits and remittances	26	2,046,220,040	82	1,986,091,847	82
24000	Bank debentures	27	59,591,987	2	77,883,895	3
25500	Other financial liabilities	28	9,981,110	1	7,540,036	-
25600	Provisions	29	3,242,924	-	3,576,833	-
26000	Lease liabilities	19	1,878,459	-	1,874,005	-
29300	Deferred income tax liabilities	34	9,973,427	-	10,824,201	1
29500	Other liabilities	30	5,695,512	-	3,111,982	-
20000	Total liabilities		2,229,177,901	89	2,179,699,344	90
	Equity	32				
	Equity attributable to owners of the Bank					
	Share capital					
31101	Ordinary shares		48,616,031	2	48,616,031	2
31500	Capital surplus		27,705,927	1	27,548,445	1
	Retained earnings					
32001	Legal reserve		64,476,033	3	64,476,033	3
32003	Special reserve		7,669,374	-	13,252,879	-
32005	Unappropriated earnings		39,833,861	2	28,987,035	1
	Total retained earnings		111,979,268	5	106,715,947	4
32500	Other equity		9,710,581	-	519,765	-
32600	Treasury shares		(83,144)	-	(83,144)	-
	Total equity attributable to owners of the Bank		197,928,663	-	183,317,044	-
38000	Non-controlling interests		68,956,347	3	60,279,352	3
30000	Total equity		266,885,010	11	243,596,396	10
	Total liabilities and equity		$ 2,496,062,911	100	$ 2,423,295,740	100

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

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the Year Ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars, except Earnings Per Share)

			For the Year Ended December 31				
			2024		2023		Change
Codes	Items	Notes	Amount	%	Amount	%	%
41000	Interest income		$ 85,500,720	166	$ 80,871,931	164	6
51000	Interest expenses		(46,794,868)	(91)	(41,720,357)	(85)	12
49010	Net interest income	33	38,705,852	75	39,151,574	79	(1)
	Non-interest income						
49100	Service fee income, net	33	6,791,281	13	5,489,467	11	24
49200	(Loss) on financial assets and liabilities measured at fair value through profit or loss	33	(2,699,718)	(5)	(944,188)	(2)	186
49310	Realized gain on financial assets measured at fair value through other comprehensive income	33	4,194,242	8	2,462,620	5	70
49410	Gain on financial assets measured at amortized cost		79,286	-	19,905	-	298
49600	Foreign exchange gain, net		3,723,482	7	2,307,327	5	61
49700	Impairment (loss) reversal gain on assets	11	(70,411)	-	58,233	-	(221)
49750	Proportionate share of profit of associates under the equity method	16	322,213	1	334,857	1	(4)
49800	Other non-interest income, net	33	357,748	1	431,406	1	(17)
	Total non-interest income		12,698,123	25	10,159,627	21	25
4xxxx	Consolidated net revenue		51,403,975	100	49,311,201	100	4
58200	Provisions for bad-debt expense, commitment and guarantee liability	14	(15,177,363)	(29)	(9,882,613)	(20)	54
	Operating expenses						
58500	Employee benefits	33	(11,549,980)	(23)	(11,114,704)	(22)	4
59000	Depreciation and amortization	33	(1,947,125)	(4)	(1,883,004)	(4)	3
59500	Other general and administrative		(5,801,849)	(11)	(5,202,076)	(11)	12
58400	Total operating expenses		(19,298,954)	(38)	(18,199,784)	(37)	6
61001	Profit before income tax		16,927,658	33	21,228,804	43	(20)
61003	Income tax expense	34	(2,488,350)	(5)	(3,803,667)	(8)	(35)
64000	Consolidated net income		$ 14,439,308	28	$ 17,425,137	35	(17)
	Other comprehensive income (loss)						
	Items that will not be reclassified subsequently to profit or loss:						
65201	Defined benefit plan remeasurements		($ 18,562)	-	($ 99,247)	-	(81)
65204	Gain (loss) on investments in equity instruments measured at fair value through other comprehensive income		6,170,929	12	4,272,511	9	44
65205	Financial liabilities designated at FVTPL which the amount of change derived from credit risk	8	3,132	-	32,147	-	(90)
65207	Proportionate share of other comprehensive income of associates under the equity method		38,746	-	(4,008)	-	(1,067)
65220	Income tax relating to items that will not be reclassified subsequently to profit or loss	34	16,432	-	(195,342)	-	(108)
	Items that may be reclassified subsequently to profit or loss:						
65301	Exchange differences on translating foreign operations		11,268,972	22	(521,822)	(1)	(2,260)
65306	Share of the other comprehensive income of associates accounted for using the equity method		157,191	-	20,397	-	671
65309	Gain (loss) on debt instruments measured at fair value through other comprehensive income		1,452,624	3	7,135,240	14	(80)
65310	Loss allowance for debt instruments measured at fair value through other comprehensive income		(19,737)	-	(62,226)	-	(68)
65320	Income tax relating to items that may be reclassified subsequently to profit or loss	34	(1,625,035)	(3)	(986,784)	(2)	65
65000	Other comprehensive income for the period, net of income tax		$ 17,444,692	34	$ 9,590,866	20	82
66000	Total comprehensive income for the period		$ 31,884,000	62	$ 27,016,003	55	18
	Net profit attributable to:						
67101	Owners of the Bank		$ 13,478,483	26	$ 14,659,995	30	(8)
67111	Non-controlling interests		960,825	2	2,765,142	5	(65)
67100			$ 14,439,308	28	$ 17,425,137	35	(17)
	Total comprehensive income attributable to:						
67301	Owners of the Bank		$ 23,205,023	45	$ 22,144,340	45	5
67311	Non-controlling interests		8,678,977	17	4,871,663	10	78
67300			$ 31,884,000	62	$ 27,016,003	55	18
	Earnings per share	35					
67500	Basic		$ 2.78		$ 3.02		
67700	Diluted		$ 2.78		$ 3.02		

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

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the Year Ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

		Equity Attributable to Owners of the Bank											
		Share Capital		Retained Earnings			Other Equity						
Codes		Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Change in Financial Assets at FVTOCI	Change in Credit Risk From Financial Liabilities Designated at FVTPL	Treasury Shares	Total Equity Attributable to Owners of the Bank	Non-controlling Interests	Total Equity
A1	Balance on January 1, 2023	$ 48,616,031	$ 27,405,763	$ 64,476,033	$ 7,669,374	$ 28,537,216	($ 126,464)	($ 6,677,607)	($ 36,294)	($ 83,144)	$ 169,780,908	$ 55,862,013	$ 225,642,921
D1	Net profit for the year ended December 31, 2023	-	-	-	-	14,659,995	-	-	-	-	14,659,995	2,765,142	17,425,137
D3	Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	(59,213)	(295,231)	7,806,642	32,147	-	7,484,345	2,106,521	9,590,866
D5	Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	14,600,782	(295,231)	7,806,642	32,147	-	22,144,340	4,871,663	27,016,003
	Appropriation of 2022 earnings												
B3	Special reserve	-	-	-	5,583,505	(5,583,505)	-	-	-	-	-	-	-
B5	Cash dividends	-	-	-	-	(8,750,886)	-	-	-	-	(8,750,886)	-	(8,750,886)
C7	Changes in capital surplus from investments in associates under the equity method	-	9,480	-	-	-	-	-	-	-	9,480	-	9,480
C17	Unclaimed dividends	-	133,202	-	-	-	-	-	-	-	133,202	-	133,202
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	183,428	-	(183,428)	-	-	-	-	-
O1	Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(454,324)	(454,324)
Z1	Balance on December 31, 2023	$ 48,616,031	$ 27,548,445	$ 64,476,033	$ 13,252,879	$ 28,987,035	($ 421,695)	$ 945,607	($ 4,147)	($ 83,144)	$ 183,317,044	$ 60,279,352	$ 243,596,396
A1	Balance on January 1, 2024	$ 48,616,031	$ 27,548,445	$ 64,476,033	$ 13,252,879	$ 28,987,035	($ 421,695)	$ 945,607	($ 4,147)	($ 83,144)	$ 183,317,044	$ 60,279,352	$ 243,596,396
D1	Net profit for the year ended December 31, 2024	-	-	-	-	13,478,483	-	-	-	-	13,478,483	960,825	14,439,308
D3	Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	(18,241)	5,392,604	4,349,045	3,132	-	9,726,540	7,718,152	17,444,692
D5	Total comprehensive income for the year ended December 31, 2024	-	-	-	-	13,460,242	5,392,604	4,349,045	3,132	-	23,205,023	8,678,977	31,884,000
	Appropriation of 2023 earnings												
B3	Special reserve	-	-	-	(5,583,505)	5,583,505	-	-	-	-	-	-	-
B5	Cash dividends	-	-	-	-	(8,750,886)	-	-	-	-	(8,750,886)	-	(8,750,886)
C7	Changes in capital surplus from investments in associates under the equity method	-	9,480	-	-	-	-	-	-	-	9,480	-	9,480
C17	Unclaimed dividends	-	148,002	-	-	-	-	-	-	-	148,002	-	148,002
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	553,965	-	(553,965)	-	-	-	-	-
O1	Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(1,982)	(1,982)
Z1	Balance on December 31, 2024	$ 48,616,031	$ 27,705,927	$ 64,476,033	$ 7,669,374	$ 39,833,861	$ 4,970,909	$ 4,740,687	($ 1,015)	($ 83,144)	$ 197,928,663	$ 68,956,347	$ 266,885,010

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

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the Year Ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

Codes		For the Year Ended December 31 2024	2023
	Cash flows from operating activities		
A00010	Consolidated net profit before income tax	$ 16,927,658	$ 21,228,804
A20010	Adjustments to reconcile net profit to net cash provided by operating activities		
A20100	Depreciation expenses	1,591,901	1,562,219
A20200	Amortization expenses	355,224	320,785
A20300	Provisions for bad debt expense, commitment and guarantee liability	15,177,363	9,882,613
A20400	Loss (gain) on financial assets and liabilities at fair value through profit or loss	769,637	(208,266)
A20900	Interest expenses	46,794,868	41,720,357
A21200	Interest revenue	(85,500,720)	(80,871,931)
A21300	Dividend income	(3,812,816)	(2,381,875)
A22300	Proportionate share of profit of associates	(322,213)	(334,857)
A22500	(Gain) loss on disposal of properties and equipment, net	(116,841)	12,387
A23600	Impairment on financial assets	(28,434)	(58,233)
A29900	Others	143,241	109,174
A40000	Changes in operating assets and liabilities		
A41110	Due from the central bank and call loans to banks	(14,083,494)	56,450,875
A41120	Financial assets measured at fair value through profit or loss	1,363,106	174,667
A41123	Financial assets measured at fair value through other comprehensive income	(64,989,429)	22,767,363
A41125	Investment in debt instruments measured at amortized cost	35,919,195	(57,541,836)
A41150	Receivables	(2,646,238)	(696,211)
A41160	Discounts and loans	16,286,202	(8,059,096)
A41190	Other financial assets	1,873	(3,837)
A41990	Other assets	3,616,232	(4,730,411)
A42110	Deposits from the central bank and other banks	2,759,258	(9,362,775)
A42120	Financial liabilities measured at FVTPL	(316,221)	837,903
A42140	Securities sold under repurchase agreements	4,191,864	(190,279)
A42150	Payables	(1,441,142)	1,162,687
A42160	Deposits and remittances	13,631,690	66,996,231
A42170	Other financial liabilities	2,440,956	4,196,597
A42180	Employee benefit provisions	255,950	90,110
A42990	Other liabilities	345,652	(114,621)
A33000	Cash from operations	(10,685,678)	62,958,544
A33100	Interest received	84,085,952	78,065,888
A33200	Dividends received	3,885,138	2,457,864
A33300	Interest paid	(47,532,079)	(37,962,543)
A33500	Income tax paid	(6,227,570)	(4,183,474)
AAAA	Net cash from operating activities	23,525,763	101,336,279

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THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the Year Ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

Codes		For the Year Ended December 31 2024	2023
	Cash flows from investing activities		
B02700	Acquisition of properties	($ 1,400,173)	($ 1,809,583)
B02800	Proceeds from disposal of properties	169,282	6,811
B04500	Acquisition of intangible assets	(344,920)	(463,479)
B05400	Acquisition of investment properties	(198,691)	(420,284)
B09900	Other financial investments	1,861,951	(72,607)
BBBB	Net cash used in investing activities	87,449	(2,759,142)
	Cash flows from financing activities		
C01400	Issuance of bank debentures	6,550,000	13,261,071
C01500	Payments for bank debentures	(25,847,079)	(625,400)
C04020	Payments for principal portion of lease liabilities	(892,958)	(840,938)
C04500	Cash dividends	(8,741,406)	(8,741,406)
C05800	Changes in non-controlling interests	(1,982)	(454,324)
CCCC	Net cash from (used in) financing activities	(28,933,425)	2,599,003
DDDD	Effects of exchange rate changes on the balance of cash held in foreign currencies	18,328,238	511,244
EEEE	Net increase in cash and cash equivalents	13,008,025	101,687,384
E00100	Cash and cash equivalents at the beginning of the period	356,404,573	254,717,189
E00200	Cash and cash equivalents at the end of the period	$ 369,412,598	$ 356,404,573

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

Codes		December 31, 2024	December 31, 2023
E00210	Cash and cash equivalents in consolidated balance sheets	$ 38,522,816	$ 57,458,262
E00220	Due from the Central Bank and call loans to banks which fall within the definition of cash and cash equivalents under IAS 7	322,481,222	293,524,835
E00230	Securities purchased under resale agreements which fall within the definition of cash and cash equivalents under IAS 7	8,408,560	5,421,476
E00200	Cash and cash equivalents in consolidated statements of cash flows	$ 369,412,598	$ 356,404,573

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

(Concluded)

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Stated)

1. ORGANIZATION AND OPERATIONS

The Shanghai Commercial & Savings Bank(the "Bank") is incorporated in Taiwan and engages in the commercial banking businesses under related laws and regulations. The shares of the Bank have been traded on Taiwan Stock Exchange since October 19, 2018.

The Bank has its head office in Taipei and 78 branches, including 4 foreign branches separately located in Wuxi China, Hong Kong, Vietnam Dong Nai and Singapore.

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

2. AUTHORIZATION OF CONSOLIDATED FINANCIAL STATEMENTS

On February 27, 2025, the financial statements were approved by the board of directors and issued afterward.

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

3.1 Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by FSC and became effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective Date Announced by IASB
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7" supplier finance arrangements"	January 1, 2024

The Group assesses the applicable amendments to the IFRSs approved and issued by the FSC will not result in significant changes to the Bank's accounting policies.

3.2 Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

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

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

3.3 IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 for the "Classification and measurement of financial instruments."	January 1, 2026
Amendments to IFRS 9 and IFRS 7 for the "Power purchase agreements."	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Initial application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IFRS 18 "The presentation and disclosure of financial statements"	January 1, 2027
Amendments to IFRS 19 "The subsidiaries without public accountability: disclosures"	January 1, 2027
Annual improvements to IFRS Accounting Standards — Volume 11	January 1, 2026

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks and IFRSs as endorsed and issued into effect by the FSC.

4.2 Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

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

4.2.1 Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

4.2.2 Level 2 inputs are observable parameters other than quoted prices included within Level 1, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

4.2.3 Level 3 inputs are unobservable inputs for an asset or liability.

4.3 Classification of Current and Non-current Assets and Liabilities

Since the operating cycle in the banking industry cannot be reasonably identified, accounts included in the Group's consolidated financial statements are not classified as current or non-current. Nevertheless, these accounts are properly categorized according to the nature of each account and sequenced by liquidity.

4.4 Basis of Consolidation

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

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

4.5 Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquirer's previously held equity interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

4.6 Foreign Currencies

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

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

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including of the associates or branches in other countries or currencies used are different from the currency of the Bank) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income (attributed to the owners of the Bank and non-controlling interests as appropriate).

4.7 Financial Instruments

Financial assets and financial liabilities are recognized in the consolidated balance sheets when the Group becomes one of the parties of the contract.

For financial assets and financial liabilities other than financial assets or financial liabilities at fair value through profit or loss (FVTPL), the fair value is directly attributable to the transaction costs of acquiring or issuing financial assets or financial liabilities. Transaction costs directly attributable to the acquisition or issue of financial assets or financial liabilities at FVTPL are recognized as current expenses.

4.7.1 Financial assets

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

(1) Measurement

The Group owns financial assets which are classified into the following specified categories: Financial assets at FVTPL, financial assets at amortized cost, investments in debt instruments at fair value through other comprehensive income (FVTOCI) and investments in equity instruments at FVTOCI.

A. Financial assets at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on re-measurement (excluding any dividends or interest arising from such financial assets) recognized in profit or loss. Fair value is determined in the manner described in Note 40.

B. Financial assets at amortized cost

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

a. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Interest income 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 income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such a financial asset; and
b. Financial assets that have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such a financial asset.

Cash equivalents include accounts due from the Central Bank that are highly liquid, convertible into fixed cash at any time, and have a low-risk of value changes within three months from the date of acquisition, which are used to meet short-term cash commitments.

C. Investments in debt instruments at FVTOCI

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

a. The financial asset is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of the financial assets; and

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

D. Investments in equity instruments at FVTOCI

On initial recognition, the Group 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 gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, they will be transferred to retained earnings.

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

(2) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including discounts and loans and accounts receivable), investments in debt instruments that are measured at FVTOCI, lease receivables, loan commitments, as well as contract assets at the estimated credit loss on each balance sheet date.

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

Under the guidelines of the “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans” issued by the Banking Bureau of the Financial Supervisory Commission, the credit accounts are categorized into five groups: Normal credit assets, assets that require special mention, substandard assets, doubtful assets and full-amount loss based on clients’ financial conditions. After assessing the value of the collateral, the Group will assess the possibilities of recovery.

Under the above guidelines, in addition to the minimum standard allowance for all accounts, allowance is provided for accounts classified as normal (except government accounts), accounts with notice, accounts with warning, difficult accounts and uncollectible accounts at rates of 1%, 2%, 10%, 50%, and 100%, respectively.

According to the local statutes, the Group’s allowances for bad debts and guarantee liabilities for the “acquisition of residential home repair loans and construction loans” and “category one credit assets (including short-term trade financing) due from PRC businesses” should be at least 1.5%. In addition, the minimum allowance for bad debts for SME loans handled in accordance with the “ Regulations for the Central Bank’s Handling of Bank Acceptance of SME Loans Affected by the Severe Special Contagious Pneumonia Epidemic” is 0.5%.

Debts that are determined to be uncollectible are written off after being reported to the board of directors for approval.

(3) Derecognition of financial assets

When the contractual rights from the cash flows of financial assets have lapsed or the financial assets and all the risks and rewards of the assets have been transferred to other enterprises, the financial assets are derecognized.

When a financial asset is totally derecognized, the difference between the carrying amount and the sum of any accumulated gain or loss recognized in other comprehensive income is recognized as profit or loss.

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 difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and 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.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognize and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part that is no longer recognized is treated in the same way as when the financial asset is derecognized in entirety. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

4.7.2 Equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Group's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Group's own equity instruments.

4.7.3 Financial liabilities

(1) Subsequent measurement

All financial liabilities are measured at amortized cost using effective interest rate, except for the following situations:

A. Financial liabilities at FVTPL

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

Financial liabilities held for trading are stated at fair value, with any gain or loss arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any interest or dividends paid on such financial liability.

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

a. Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

b. The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and has performance evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

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

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

Fair value is determined in the manner described in Note 40.

B. Financial guarantee contracts

The financial guarantee contracts issued by the Group and not measured at FVTPL are measured at the higher of the allowance for the expected credit losses and the amortized amount after initial recognition.

(2) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

4.7.4 Derivatives

Derivatives signed by the Group include forward foreign exchange contracts, interest rate swaps and others to manage the Group's interest rate and exchange rate risk.

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

Derivatives embedded in hybrid contracts that contain financial asset hosts that are within the scope of IFRS 9 "Financial Instruments" are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets that is within the scope of IFRS 9 (e.g. those embedded in the principal contract of financial liabilities) are treated as separate derivatives when they meet the definition of a derivative; their risks and characteristics are not closely related to those of the host contracts; and the host contracts are not measured at FVTPL.

4.8 Investment in Associates

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

The Group applies equity method to account for investments in associates.

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

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Group subscribes for additional new shares of the associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Group's ownership interest is reduced due to the additional subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for by the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate equals or exceeds its interest in that associate, including any carrying amount of the investment accounted for by the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate, the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is deducted from investment and the carrying amount of investment is net of impairment loss. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

4.9 Non-performing Loans

Under the guidelines of "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans", the balance of loans and other credits extended by the Bank and the related accrued interest thereon are classified as non-performing.

Non-performing loans in the lending business are classified as discounts and loans; otherwise, are classified as other financial assets.

4.10 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 earned on resale agreements or interest incurred on repurchase agreements is recognized as interest income or interest expense over the life of each agreement.

4.11 Properties and Equipment

Properties and equipment are stated at cost, less recognized accumulated depreciation.

Depreciation is provided on a straight-line basis over estimated useful lives and the critical components are identified and depreciated separately. Depreciation expense of the land and buildings held by SCB (HK) is depreciated using the straight-line method over the useful lives under 40 years. Other equipment is computed using the straight-line method within the durability of 4 to 10 years. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period by the Group. Change in accounting estimates takes effect retrospectively.

Any gain or loss 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.

4.12 Investment Properties

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

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

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

4.13 Goodwill

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

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

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

4.14 Intangible Assets

4.14.1 Acquisition as separate asset

Intangible assets that have finite useful lives and are acquired separately are carried at cost less accumulated amortization. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful lives, residual value, and amortization method are reviewed at the end of each reporting period. The residual value of an intangible asset with a finite useful life is assumed to be zero unless the Group expects to dispose of the intangible asset before the end of its economic life. Change in accounting estimate takes effect prospectively.

4.14.2 Acquisition by business combination

The intangible assets acquired from business combination are recognized at the fair value on the acquisition date and are recognized separately from goodwill. Subsequent measurement is the same as intangible assets acquired separately.

4.15.3 Derecognition

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

4.15 Impairment of Property and Equipment, Right-of-Use Assets, Intangible Assets Other Than Goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property and equipment, right-of-use assets and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

4.16 Collaterals Assumed

Collaterals assumed are recorded at their appraised values. At balance sheet date, these collaterals are individually revalued at the lower of cost or net realizable value.

4.17 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group 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 consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

4.18 Revenue Recognition

Interest revenue from loans is estimated on accrual basis. Interest revenue from non-performing Bank-extended loans and other credits are recognized only when collection is made. In accordance with the Ministry of Finance regulations, the interest from the relief and extension of specific loans is recorded as deferred income and recognized as income upon collection. Service fees are recorded as income upon receipt or when the related services are substantially completed.

The costs of acquisition of loans and accounts receivable and extra fees received are accounted for as adjustments to the book value and the effective interest of loans and accounts receivable.

Dividend revenue is recognized when the right of shareholder to receive dividend is established. The premise is that the economic benefits associated with the transaction are likely to flow into the Group and the amount of revenue can be reliably measured.

4.19 Leasing

The Group assesses whether the contract is (or includes) a lease on the contract date. For contracts that include the lease and non-lease components, the Group distributes the consideration in the contract on a relatively separate price basis and deals with them separately.

4.19.1 The Group as lessor

When the lease terms transfer almost all the risks and rewards attached to the ownership of the assets to the lessee, the leases are classified as finance leases. All other leases are classified as operating leases.

Under finance leases, lease payments include fixed payments, substantially fixed payments, variable lease payments which depend on an index or a rate, guaranteed residual values, and the exercise price of the purchase option that is reasonably certain to be exercised, and the rental termination penalties reflected in the lease term, less the incentives for the lease to be paid. The net amount of the lease investment is measured as the sum of the present value of both the lease receivable and the unguaranteed residual value plus the original direct costs and expressed as a finance lease receivable. The financing income is apportioned to each accounting period so as to reflect a periodic fixed rate of return that the Group's unexpired net lease investment is available for each period.

Under operating leases, the lease payments deducted from the lease incentives are recognized as income on a straight-line basis over the relevant lease periods. The original direct costs incurred in obtaining the operating leases are added to the carrying amount of the underlying assets and recognized as an expense on a straight-line basis over the lease terms.

4.19.2 The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight line basis over the lease terms. Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and adjusted for any remeasurement of the lease liabilities.

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

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use asset has been reduced to zero, the remaining amount of remeasurement is recognized in profit or loss. Lease liabilities are presented separately in the consolidated balance sheets.

4.20 Employee Benefits

4.20.1 Short-term employee benefits

Liabilities related to short-term employee benefits are measured and recognized at the undiscounted amount expected to be paid to employees for their services.

4.20.2 Retirement benefit costs

The Group currently has both defined contribution and defined benefit retirement plans for its employees. Pursuant to local rules, employees working overseas are enrolled in defined contribution retirement benefit plan.

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

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

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Group'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.

4.20.3 Employee preferential deposits

The Group provides current and retired employees preferential interests rates for deposits under certain balances. Differences between preferential rate and interest at market rate are recognized as employee benefits.

Under rule No. 30 of the Regulations Governing the Preparation of Financial Reports by Public Banks, post-retirement preferential interests provided to retired employees should be measured and recognized using actuarial calculation pursuant to IAS No. 19 if variables for use in the actuarial assumptions are stipulated in official governing rules, then the rules should be applied first.

4.20.4 Other long-term employee benefits

Current employees who are eligible for retirement will be given a pension according to the retirement plan. If employees do not have the qualification to retire, (a) the pension will be issued for one month if the service lasts less than one year; (b) if the service lasts more than one year and less than five years, they will receive pension for one month for serving each full year; (c) if the service lasts for more than five years, the pension is calculated according to the actuarial calculation method. However, the calculation method is only applicable to the service that existed before the application of the new system.

4.21 Share-based payment arrangements

The fair value at the acquisition date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share option. It is recognized as an expense in full at the grant date if vested immediately. The Group apply for cash capital increase to reserve employee subscriptions, and the acquisition date based on the day when the number of shares subscribed by employees is confirmed

4.22 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

4.22.1 Current tax

The Group determines the current income (loss) in accordance with the laws and regulations established by each jurisdiction of income tax declaration., and calculates the payable (recoverable) income tax.

According to the Taiwan Income Tax Law, an additional tax on unappropriated earnings is recognized in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current period's income tax expenses.

4.22.2 Deferred tax

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

Deferred tax liabilities are generally recognized on all taxable temporary differences. Deferred tax assets are recognized on deductible temporary difference and loss carry forwards provided that taxable income will be available for use in deducting the benefits of the temporary differences probably.

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

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

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

4.22.3 Current tax and deferred tax of the period

Current tax and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current tax and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

4.23 Assets held for sale

The carrying amounts of assets held for sale are mainly recovered through sales transactions rather than continued use. And it is highly likely to be sold, measured at the lower of its carrying amount and fair value less cost of sale.

4.24 Operation department

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is an individual or a team, who is responsible for allocating resources and assessing performance of the operating segments. The Group's chief operating decision maker has been identified as the Board of Directors.

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

In the application of the Group's accounting policies, the management is required to make judgments, estimates and assumptions 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 to be relevant. Actual results may differ from these estimates.

Estimates and assumptions of main sources of uncertainty

Estimated impairment of financial assets

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

6. **CASH AND CASH EQUIVALENTS**

	December 31, 2024	December 31, 2023
Cash in hand and working fund	$ 15,998,156	$ 13,977,753
Checks for clearing	620,323	2,601,367
Due from other banks	21,904,337	40,879,142
	$ 38,522,816	$ 57,458,262

The Group assessed the allowance for cash and cash equivalents based on the expected credit loss model. Due to the low credit risk of cash and cash equivalents, allowance losses were recognized based on the 12-month expected credit losses. On December 31, 2024 and 2023, cash and cash equivalents recognized as allowances were in the amounts of $160 thousand and $287 thousand, respectively.

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

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

	December 31, 2024	December 31, 2023
Call loans to banks	$ 370,595,554	$ 328,690,548
Deposit reserves - I	16,291,208	19,737,639
Deposit reserves - II	34,556,139	31,192,990
Deposit reserves - foreign currency	212,623	197,314
Due from foreign central banks	10,590,836	5,265,859
	$ 432,246,360	$ 385,084,350

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

The Group assessed the loss allowance for due from the Central Bank and call loans to banks based on the expected credit loss model. Due to the low credit risk of dues from the Central Bank and call loans to banks, the loss allowance was recognized based on 12-month expected credit losses. On December 31, 2024 and 2023, the allowances recognized for the dues from the Central Bank and call loans to banks were in the amounts of $8,194 thousand and $6,178 thousand, respectively.

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

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

	December 31, 2024	December 31, 2023
Financial assets measured at FVTPL		
Financial assets mandatorily classified as at FVTPL		
Forward contracts	$ 2,403,365	$ 3,598,005
Bank debentures	1,179,335	-
Futures	543,385	276,513
Currency swap contracts	525,722	182,455
Option contracts	508,532	163,104
Shares	213,166	268,073
Corporate bonds	156,723	-
Interest rate swap contracts	39,282	16,805
Government bonds	-	3,954,124
	$ 5,569,510	$ 8,459,079
Financial liabilities measured at FVTPL		
Held-for-trading financial liabilities		
Forward contracts	$ 2,313,113	$ 3,974,823
Option contracts	519,474	134,523
Interest rate swap contracts	464,829	179,552
Currency swap contracts	90,412	561,322
Futures	17	152
	3,387,845	4,850,372
Financial liabilities designated at FVTPL		
Bank debentures	2,438,063	2,191,711
	$ 5,825,908	$ 7,042,083

The Group engaged in derivative transactions mainly to accommodate customers' needs and manage its exposure positions.

The financial assets and liabilities at FVTPL contract (nominal) amounts of derivative transactions were as follows:

	December 31, 2024	December 31, 2023
Forward contracts	$ 405,576,093	$ 504,657,042
Option contracts	153,727,240	90,656,965
Currency swap contracts	62,208,862	77,618,517
Interest rate swap contracts	12,028,742	9,855,021
Future contracts	33,729	179,173

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

	December 31, 2024	December 31, 2023
The difference between the fair value and the maturity value		
— Fair value	$ 2,438,063	$ 2,191,711
— Maturity value	2,431,170	1,983,771
	$ 6,893	$ 207,940

	Effects of changes in credit risk
Current amount of change	
For the Year Ended December 31, 2024	$ 3,132
For the Year Ended December 31, 2023	$ 32,147
Cumulative amount of change	
Up to December 31, 2024	($ 1,015)
Up to December 31, 2023	($ 4,147)

The financial liabilities designated by the Group at FVTPL were the second issuance of unsecured debentures amounting to US$70,000 thousand with a 30-year maturity and fixed interest rate of 0% on October 29, 2018. On the expiration of 5 years and every subsequent year, the Group may exercise the option at the agreed redemption price. If the option is not exercised during the period, the payment will be made on the expiration date. The second issuance of unsecured debentures amounting to US$6,400 thousand with a 3-year maturity and fixed interest rate of 0% on November 1, 2023. The second to third years are combined interest rates, using simple interest calculation, with interest paid once every quarter and repayment of principals at maturity. The first issuance of unsecured debentures amounting to US$10,750 thousand with a 2-year maturity on March 27, 2024 with a fixed rate of 5.5% of the first year and combined interest rates of the second year. The interest paid once every quarter and repayment of principals at maturity.

The Group entered an interest rate swap contract to reduce the interest rate risk of the aforementioned financial bonds. The interest rate swap contract was measured at fair value and the fair value changes were included in profit or loss. The Group designated the aforementioned financial bonds as financial liabilities measured at FVTPL for consistency.

The amount of change in the fair value of financial bonds attributable to the changes in the fair value of credit risk was calculated as the difference between the changes in the fair value of market risk factor. The amount of change in fair value attributable to the market risk factor was calculated using the benchmark yield curve at the balance sheet date. Fair value of financial bonds was based on the benchmark yield curve on the balance sheet date and the estimated credit risk spread by the creditor’s interest rate quote on the similar maturity date of the combined company, such that the estimated future cash flow is discounted.

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

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

	December 31, 2024	December 31, 2023
Investments in equity instruments measured at FVTOCI		
Shares	$ 51,404,856	$ 34,054,212
Investments in debt instruments measured at FVTOCI		
Bank debentures	179,222,413	121,359,891
Corporate bonds	155,381,577	165,673,733
Government bonds	80,583,100	59,118,214
Commercial papers	7,469,697	7,267,394
Asset-backed securities	1,183,461	1,115,773
	423,840,248	354,535,005
	$ 475,245,104	$ 388,589,217

The Group invests in ordinary shares for medium- and long-term strategic purposes and expects to make a profit through long-term investments. The management of the Group considers that if the short-term fair value fluctuations of these investments are included in profit or loss, they are inconsistent with the aforementioned long-term investment plans. Therefore, the designated investments are selected to be measured at FVTOCI.

For the information on credit risk management and impairment assessment of investments in debt instruments at FVTOCI, refer to Note 11.

Parts of the aforementioned financial assets at FVTOCI were sold under repurchase agreements as of December 31, 2024 and 2023. The par values of bonds and commercial papers sold under repurchase agreements were $4,778,000 thousand and $584,500 thousand, respectively.

The Group disposed of FVTOCI - equity instruments to adjust its investment portfolio. The fair value of the equity instruments disposed were $41,050,097 thousand, $21,650,619 thousand, cumulative gains on disposal amount to $553,965 thousand and $183,428 thousand, respectively, for the year ended December 31, 2024 and 2023.

	For the Year Ended December 31	
	2024	**2023**
Equity instruments at fair value through other comprehensive income (loss)		
Fair value change recognized in other comprehensive income (loss)	$ 6,170,929	$ 4,272,511
Cumulative loss reclassified to retained earnings due to derecognition	($ 553,965)	($ 183,428)
Dividend income recognized in profit or loss		
Held at end of period	$ 2,382,004	$ 1,460,461
Derecognized during the period	1,433,406	920,139
	$ 3,815,410	$ 2,380,600
Debt instruments at fair value through other comprehensive income (loss)		
Fair value change recognized in other comprehensive income (loss)	$ 1,831,456	$ 6,991,145
Cumulative other comprehensive income reclassified to profit or loss		
Reclassified due to reversal of impairment recognition	($ 26,575)	($ 91,072)
Reclassified due to derecognition	(378,832)	82,020
	($ 405,407)	$ 20,948
Interest income recognized in profit or loss	$ 12,821,377	$ 9,314,746

For the information on financial assets pledged at FVTOCI, refer to Note 37.

10. INVESTMENTS IN DEBT INSTRUMENTS MEASURED AT AMORTIZED COST

	December 31, 2024	December 31, 2023
Negotiable certificates of deposit	$ 194,485,000	$ 208,800,000
Government bonds	19,750,502	26,745,038
Bank debentures	15,408,222	23,601,862
Corporate bonds	5,228,744	7,595,259
Asset-backed securities	279,510	1,787,876
Treasury bonds	-	230,389
	235,151,978	268,760,424
Less: Loss allowance	(5,220)	(6,974)
	$ 235,146,758	$ 268,753,450

The details of the profit or loss on investment in debt instruments measured at amortized cost are listed below:

	For the Year Ended December 31	
	2024	2023
Interest revenue	$ 4,200,415	$ 3,741,260
Gaim on disposal	79,286	19,905
Reversal gain (loss) on impairment	1,859	(2,839)
	$ 4,281,560	$ 3,758,326

The Group reclassified investments in debt instruments measured at amortized cost to cash in hand and working fund under cash and cash equivalents in 2024 and 2023, the disposal gain are $79,286 thousand and $19,905 thousand respectively.

For information on the credit risk management and impairment of investments in debt instruments measured at amortized cost, refer to Note 11.

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

11. CREDIT RISK MANAGEMENT OF INVESTMENTS IN DEBT INSTRUMENTS

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

December 31, 2024	**At FVTOCI**	**At Amortized Cost**	**Total**
Total carrying amount	$ 432,439,394	$ 235,151,978	$ 667,591,372
Loss allowance	(136,013)	(5,220)	(141,233)
Amortized cost	432,303,381	$ 235,146,758	667,450,139
Fair value adjustment	(8,463,133)		(8,463,133)
	$ 423,840,248		$ 658,987,006

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

The Group implements a policy of investing in debt instruments with investment grade and have low credit risk, For the purpose of impairment assessment, the Group continues to track external rating information and monitors changes in credit risk of the investments of debt instruments and reviews other information such as the bond yield curve and the debtor's material information to assess whether the credit risk of the debt instrument investments has increased significantly since the initial recognition.

The Group consideredthe historical default loss rate provided by the independent rating agencies, the debtor's current financial status and the industry's forward-looking forecast to measure the 12-month expected credit loss or full lifetime expected credit loss of the investments in debt instruments.

The Group's current credit risk rating mechanism and the total carrying amount of each credit rating investment in debt instruments were as follows:

December 31, 2024

Credit Rating	Definitions	Expected Credit Loss Recognition Base	Expected Credit Loss Rate	December 31, 2024 Total Carrying Amount
Stage 1	The debtor has a low credit risk and is fully capable of paying off contractual cash flows	12-month expected credit loss	0.000%~ 1.710%	$ 667,185,100
Stage 2	Credit risk has increased significantly since the initial recognition	Expected credit loss during the period of existence (no credit impairment)	0.418%~ 2.729%	406,272
Stage 3	Evidence of credit impairment	Expected credit loss during the period of existence (credit impairment)	-	-

December 31, 2023

Credit Rating	Definitions	Expected Credit Loss Recognition Base	Expected Credit Loss Rate	December 31, 2023 Total Carrying Amount
Stage 1	The debtor has a low credit risk and is fully capable of paying off contractual cash flows	12-month expected credit loss	0.000%~ 2.030%	$ 632,079,797
Stage 2	Credit risk has increased significantly since the initial recognition	Expected credit loss during the period of existence (no credit impairment)	0.396%~ 2.970%	724,221
Stage 3	Evidence of credit impairment	Expected credit loss during the period of existence (credit impairment)	40.417%	92,123

Information on changes in allowance for impairment loss under the credit risk rating assessment of investments in debt instruments at FVTOCI and at amortized cost is summarized as follows:

Investments in debt instruments at FVTOCI

	Credit Risk Rating			
	Stage 1 (12-Month ECLs)	Stage 2 (Lifetime ECLs without impairment)	Stage 3 (Lifetime ECLs with impairment)	Total
Balance at January 1, 2024	$ 107,370	$ 10,691	$ 37,689	$ 155,750
Stage transfer-to lifetime ECLs	(1,890)	1,890	-	-
Purchase of new debt instruments	40,438	-	-	40,438
Derecognition	(42,994)	(2,681)	(43,960)	(89,635)
Provisions (reversal)	4,497	18,125	-	22,622
Exchange rate and other changes	2,579	(2,012)	6,271	6,838
Balance at December 31, 2024	$ 110,000	$ 26,013	$ -	$ 136,013

	Credit Risk Rating			
	Stage 1 (12-Month ECLs)	Stage 2 (Lifetime ECLs without impairment)	Stage 3 (Lifetime ECLs with impairment)	Total
Balance at January 1, 2023	$ 114,461	$ 13,115	$ 90,400	$ 217,976
Stage transfer-to 12-Month ECLs	1,602	(1,602)	-	-
Stage transfer-to lifetime ECLs	(49)	49	-	-
Purchase of new debt instruments	22,469	-	-	22,469
Derecognition	(20,695)	(2,963)	(52,429)	(76,087)
Provisions (reversal)	(9,303)	1,864	(15)	(7,454)
Exchange rate and other changes	(1,115)	228	(267)	(1,154)
Balance at December 31, 2023	$ 107,370	$ 10,691	$ 37,689	$ 155,750

Investments in debt instruments at amortized cost

	Credit Risk Rating		
	Stage 1 (12-Month ECLs)	Stage 2 (Lifetime ECLs)	Total
Balance at January 1, 2024	$ 6,974	$ -	$ 6,974
Purchase of new debt instruments	346	-	346
Derecognition	(2,332)	-	(2,332)
Provisions (reversal)	127	-	127
Exchange rate and other changes	105	-	105
Balance at December 31, 2024	$ 5,220	$ -	$ 5,220
Balance at January 1, 2023	$ 3,197	$ -	$ 3,197
Purchase of new debt instruments	4,067	-	4,067
Derecognition	(1,104)	-	(1,104)
Provisions (reversal)	(124)	-	(124)
Exchange rate and other changes	938	-	938
Balance at December 31, 2023	$ 6,974	$ -	$ 6,974

12. SECURITIES PURCHASED UNDER RESELL AGREEMENTS

Securities purchased under resell agreements as of December 31, 2024 and 2023 were $8,408,560 thousand and $5,421,476 thousand. The aforementioned securities would be sold back one after another before January 17, 2025 and January 19, 2024 at $8,415,417 thousand and $5,426,224 thousand, respectively.

13. RECEIVABLES, NET

	December 31, 2024	December 31, 2023
Accrued interest	$ 10,114,478	$ 10,467,300
Credit card receivables	4,187,443	5,353,333
Accounts receivable due from sales of securities	2,200,935	1,065,530
Accounts receivable due from sale of real estate	1,959,975	-
Acceptances	1,816,601	2,030,167
Finance lease receivable	683,527	656,027
Accounts receivable - factoring	228,353	350,360
Others	4,163,092	2,896,684
	25,354,404	22,819,401
Less: Allowance for credit losses	(605,735)	(384,527)
	$ 24,748,669	$ 22,434,874

The changes in total carrying amount and the allowance of receivables and other financial assets for the year ended December 31, 2024 and 2023 (including non-accrual loans and bills of exchange, refer to Note 17) are as follows:

For the Year Ended December 31, 2024

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Individually)	Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets)	Total
Receivables and other financial assets					
Beginning on January 1, 2024	$ 21,833,723	$ 292,822	$ 207,560	$ 493,672	$ 22,827,777
Changes due to financial assets recognized at the beginning of the period:					
Transfer to lifetime ECLs	(125,175)	62,815	62,706	(346)	-
Transfer to ECLs on financial assets	(46,462)	(16,525)	(6,291)	69,278	-
Transfer to 12-month ECLs	123,893	(33,054)	(84,458)	(6,381)	-
Financial assets derecognized in the current period	(3,864,853)	(181,974)	(32,818)	(9,234)	(4,088,879)
Transfer or pay off the original amount	1,542,345	(3,048)	6,002	81,367	1,626,666
Purchased or originated financial assets	3,268,598	41,304	25,190	709,182	4,044,274
Write-offs	-	-	-	(73,660)	(73,660)
Exchange rate and other changes	941,469	107	14,001	69,696	1,025,273
Balance on December 31, 2024	$ 23,673,538	$ 162,447	$ 191,892	$ 1,333,574	$ 25,361,451

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Individually)	Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets)	Impairment Under the Guidelines of IFRS 9	The Difference of Impairment under the Regulatory Decree	Total
Allowance							
Beginning on January 1, 2024	$ 285,786	$ 50,484	$ 6,536	$ 33,682	$ 376,488	$ 12,918	$ 389,406
Changes due to financial assets recognized at the beginning of the period:							
Transfer to lifetime ECLs	(747)	558	314	(125)	-	-	-
Transfer to ECLs on financial assets	(332)	(2,010)	(600)	2,942	-	-	-
Transfer to 12-month ECLs	19,707	(15,017)	(2,202)	(2,488)	-	-	-
Financial assets derecognized in the current period	(8,419)	(24,945)	(535)	(7,149)	(41,048)	-	(41,048)
Provisions (reversal)	34,509	11,271	2,637	26,463	74,880	-	74,880
Purchased or originated financial assets	14,070	4,025	866	171,750	190,711	-	190,711
The difference of impairment under the regulation or decree	-	-	-	-	-	15,276	15,276
Write-offs	-	-	-	(73,660)	(73,660)	-	(73,660)
Recoveries after write-off	-	-	-	30,812	30,812	-	30,812
Exchange rate and other changes	15,465	11	510	8,547	24,533	-	24,533
Balance on December 31, 2024	$ 360,039	$ 24,377	$ 7,526	$ 190,774	$ 582,716	$ 28,194	$ 610,910

For the Year Ended December 31, 2023

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Individually)	Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets)	Total
Receivables and other financial assets					
Beginning on January 1, 2023	$ 18,796,576	$ 197,863	$ 232,180	$ 93,135	$ 19,319,754
Changes due to financial assets recognized at the beginning of the period:					
Transfer to lifetime ECLs	(107,666)	63,090	44,774	(198)	-
Transfer to ECLs on financial assets	(26,483)	(11,112)	(2,536)	40,131	-
Transfer to 12-month ECLs	99,088	(37,956)	(60,294)	(838)	-
Financial assets derecognized in the current period	(2,713,059)	(91,107)	(30,726)	(2,646)	(2,837,538)
Transfer or pay off the original amount	2,016,632	45,361	(6,845)	5,071	2,060,219
Purchased or originated financial assets	3,817,262	126,728	31,593	9,684	3,985,267
Write-offs	-	-	-	(41,675)	(41,675)
Exchange rate and other changes	(48,627)	(45)	(586)	391,008	341,750
Balance on December 31, 2023	$ 21,833,723	$ 292,822	$ 207,560	$ 493,672	$ 22,827,777

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Individually)	Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets)	Impairment Under the Guidelines of IFRS 9	The Difference of Impairment under the Regulatory Decree	Total
Allowance							
Beginning on January 1, 2023	$ 225,459	$ 57,396	$ 7,017	$ 27,226	$ 317,098	$ 10,300	$ 327,398
Changes due to financial assets recognized at the beginning of the period:							
Transfer to lifetime ECLs	(1,050)	749	514	(213)	-	-	-
Transfer to ECLs on financial assets	(433)	(3,059)	(306)	3,798	-	-	-
Transfer to 12-month ECLs	24,408	(21,636)	(2,445)	(327)	-	-	-
Financial assets derecognized in the current period	(14,857)	(19,120)	(444)	(965)	(35,386)	-	(35,386)
Provisions (reversal)	185,227	17,231	1,955	13,512	217,925	-	217,925
Purchased or originated financial assets	11,642	18,929	498	7,917	38,986	-	38,986
The difference of impairment under the regulation or decree	-	-	-	-	-	2,618	2,618
Changes in model/risk parameters	(4,446)	-	(236)	(2,422)	(7,104)	-	(7,104)
Write-offs	-	-	-	(41,675)	(41,675)	-	(41,675)
Recoveries after write-off	-	-	-	26,834	26,834	-	26,834
Exchange rate and other changes	(140,164)	(6)	(17)	(3)	(140,190)	-	(140,190)
Balance on December 31, 2023	$ 285,786	$ 50,484	$ 6,536	$ 33,682	$ 376,488	$ 12,918	$ 389,406

14. DISCOUNTS AND LOANS, NET

	December 31, 2024	December 31, 2023
Loans	$ 1,202,227,420	$ 1,216,051,334
Inward/outward documentary bills	15,590,404	14,061,689
Overdrafts	12,722,988	14,499,082
Non-performing loans	8,204,708	2,996,095
	1,238,745,520	1,247,608,200
Discount and premium adjustments	(161,259)	(126,610)
Provisions for loans and discounts	(17,567,744)	(16,201,044)
	$ 1,221,016,517	$ 1,231,280,546

The Group discontinues accruing interest when loans are deemed non-performing. For the year ended December 31, 2024 and 2023, the unrecognized interest revenue on the non-performing loans amounted to $46,707 thousand and $94,620 thousand, respectively.

For the year ended December 31, 2024 and 2023, the Group only had written off certain credits after completing the required legal procedures.

The changes in carrying amount and allowance for discounts and loans for the year ended December 31, 2024 and 2023 are as follows:

For the Year Ended December 31, 2024

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Individually)	Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets)	Lifetime ECLs (Purchased or Originated Credit Impairment on Financial Assets)	Total
Discounts and loans						
Beginning on January 1, 2024	$ 1,192,170,250	$ 7,379,856	$ 29,962,734	$ 18,052,189	$ 43,171	$ 1,247,608,200
Changes due to financial assets recognized at the beginning of the period:						
Transfer to lifetime ECLs	(15,493,284)	1,360,407	14,139,931	(7,054)	-	-
Transfer to ECLs on financial assets	(10,884,013)	(583,028)	(3,583,260)	15,050,301	-	-
Transfer to 12-month ECLs	3,431,407	(1,128,821)	(2,230,010)	(72,576)	-	-
Financial assets derecognized in the current period	(390,928,751)	(1,541,271)	(15,002,256)	(1,156,458)	(28,909)	(408,657,645)
Transfer or pay off the original amount	(45,678,129)	(338,066)	(141,086)	(379,016)	(121)	(46,536,418)
Purchased or originated financial assets	412,849,566	5,293,855	14,030,122	1,572,701	-	433,746,244
Write-offs	(5,746)	(2,052)	-	(14,643,735)	(10,043)	(14,661,576)
Exchange rate and other changes	23,376,844	155,735	2,488,083	1,224,116	1,937	27,246,715
Balance on December 31, 2024	$ 1,168,838,144	$ 10,596,615	$ 39,664,258	$ 19,640,468	$ 6,035	$ 1,238,745,520

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Individually)	Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets)	Lifetime ECLs (Purchased or Originated Credit Impairment on Financial Assets)	Impairment Under the Guidelines of IFRS 9	The Difference of Impairment under the Regulatory Decree	Total
Allowance								
Beginning on January 1, 2024	$ 1,473,362	$ 1,090,387	$ 563,187	$ 3,521,688	$ 9,806	$ 6,658,430	$ 9,542,614	$ 16,201,044
Changes due to financial assets recognized at the beginning of the period:								
Transfer to lifetime ECLs	(31,690)	3,630	29,670	(1,610)	-	-	-	-
Transfer to ECLs on financial assets	(36,304)	(69,165)	(35,893)	141,362	-	-	-	-
Transfer to 12-month ECLs	255,239	(191,880)	(24,941)	(38,418)	-	-	-	-
Financial assets derecognized in the current period	(584,469)	(112,218)	(454,851)	(193,479)	-	(1,345,017)	-	(1,345,017)
Provisions (reversal)	(492,707)	152,353	235,852	9,650,909	-	9,546,407	-	9,546,407
Purchased or originated financial assets	500,850	445,401	356,353	6,351,409	-	7,654,013	-	7,654,013
The difference of impairment under the regulation or decree	-	-	-	-	-	-	(658,508)	(658,508)
Write-offs	(70)	(372)	-	(14,636,681)	(10,045)	(14,647,168)	-	(14,647,168)
Recoveries of write-offs	-	-	-	451,245	-	451,245	-	451,245
Exchange rate and other changes	37,879	18,114	47,292	262,204	239	365,728	-	365,728
Balance on December 31, 2024	$ 1,122,090	$ 1,336,250	$ 716,669	$ 5,508,629	$ -	$ 8,683,638	$ 8,884,106	$ 17,567,744

For the Year Ended December 31, 2023

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Individually)	Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets)	Lifetime ECLs (Purchased or Originated Credit Impairment on Financial Assets)	Total
Discounts and loans						
Beginning on January 1, 2023	$ 1,204,887,978	$ 11,840,756	$ 28,025,108	$ 5,430,660	$ 107,557	$ 1,250,292,059
Changes due to financial assets recognized at the beginning of the period:						
Transfer to lifetime ECLs	(15,971,172)	1,463,566	14,574,486	(66,880)	-	-
Transfer to ECLs on financial assets	(2,612,390)	(5,604,505)	(15,214,965)	23,431,860	-	-
Transfer to 12-month ECLs	2,235,491	(473,848)	(1,752,803)	(8,840)	-	-
Financial assets derecognized in the current period	(440,763,774)	(4,207,097)	(2,968,059)	(750,353)	(27,044)	(448,716,327)
Transfer or pay off the original amount	(46,026,384)	(397,527)	867,552	(1,736,184)	(39)	(47,292,582)
Purchased or originated financial assets	492,273,574	4,768,341	6,477,473	818,686	5,727	504,343,801
Write-offs	(14,426)	(15,113)	-	(9,452,887)	(42,352)	(9,524,778)
Exchange rate and other changes	(1,838,647)	5,283	(46,058)	386,127	(678)	(1,493,973)
Balance on December 31, 2023	$ 1,192,170,250	$ 7,379,856	$ 29,962,734	$ 18,052,189	$ 43,171	$ 1,247,608,200

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Individually)	Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets)	Lifetime ECLs (Purchased or Originated Credit Impairment on Financial Assets)	Impairment Under the Guidelines of IFRS 9	The Difference of Impairment under the Regulatory Decree	Total
Allowance								
Beginning on January 1, 2023	$ 2,426,884	$ 2,487,036	$ 1,611,682	$ 1,478,012	$ 52,271	$ 8,055,885	$ 7,928,201	$ 15,984,086
Changes due to financial assets recognized at the beginning of the period:								
Transfer to lifetime ECLs	(35,721)	5,704	30,192	(175)	-	-	-	-
Transfer to ECLs on financial assets	(13,298)	(1,654,743)	(1,458,599)	3,126,640	-	-	-	-
Transfer to 12-month ECLs	154,387	(123,043)	(26,871)	(4,473)	-	-	-	-
Financial assets derecognized in the current period	(1,159,932)	(565,887)	(20,458)	(80,446)	-	(1,826,723)	-	(1,826,723)
Provisions (reversal)	(653,297)	167,278	391,559	7,954,640	-	7,860,180	-	7,860,180
Purchased or originated financial assets	765,166	785,723	39,742	254,977	-	1,845,608	-	1,845,608
The difference of impairment under the regulation or decree	-	-	-	-	-	-	1,614,413	1,614,413
Changes in model/risk parameters	(32,724)	-	1,075	13,793	63	(17,793)	-	(17,793)
Write-offs	(675)	(8,295)	-	(9,452,887)	(42,352)	(9,504,209)	-	(9,504,209)
Recoveries of write-offs	-	-	-	218,404	-	218,404	-	218,404
Exchange rate and other changes	22,572	(3,386)	(5,135)	13,203	(176)	27,078	-	27,078
Balance on December 31, 2023	$ 1,473,362	$ 1,090,387	$ 563,187	$ 3,521,688	$ 9,806	$ 6,658,430	$ 9,542,614	$ 16,201,044

The details of bad debt expense, commitment and guarantee liability provisions for the year ended December 31, 2024 and 2023 are listed below:

	For the Year Ended December 31	
	2024	2023
Provisions for loans and discounts	$ 15,196,895	$ 9,475,685
Provisions for receivables and other financial assets	239,819	217,039
Provisions (reversal) for reserve of possible losses on guarantees	(260,534)	189,983
Other provisions (reversal)	1,183	(94)
	$ 15,177,363	$ 9,882,613

15. SUBSIDIARIES

15.1 Subsidiaries included in the consolidated financial statements

The consolidated financial statements include the Bank and entities controlled by the Bank.

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

Note 1: For non-material subsidiaries, the financial statements have not been audited by accountants.

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

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

Name of Subsidiary	Principal Place of Business	Proportion of Ownership and Voting Rights Held by Non-controlling Interests December 31, 2024	Proportion of Ownership and Voting Rights Held by Non-controlling Interests December 31, 2023
Shanghai Commercial Bank (H.K.)	Hong Kong	42.40%	42.40%

Name of Subsidiary	Profit Allocated to Non-controlling Interests For the Year Ended December 31 2024	Profit Allocated to Non-controlling Interests For the Year Ended December 31 2023
Shanghai Commercial Bank (H.K.) (excluding NCI in its subsidiaries)	$ 960,815	$ 2,765,139

Name of Subsidiary	Accumulated Non-controlling December 31, 2024	Accumulated Non-controlling December 31, 2023
Shanghai Commercial Bank (H.K.) (excluding NCI in its subsidiaries)	$ 68,956,237	$ 60,279,249

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

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

	December 31, 2024	December 31, 2023
Assets	$ 961,468,370	$ 904,483,975
Liabilities	(799,492,735)	(762,443,532)
NCI of SCB's subsidiaries	(493,519)	(423,306)
Equity	$ 161,482,116	$ 141,617,137

	December 31, 2024	December 31, 2023
Equity attributable to:		
Owners of SCSB	$ 93,013,699	$ 81,571,471
NCI of SCSB	68,468,417	60,045,666
	$ 161,482,116	$ 141,617,137

	For the Year Ended December 31 2024	For the Year Ended December 31 2023
Revenue	$ 23,585,189	$ 22,630,795
Net profit for the period	$ 2,346,774	$ 6,645,574
Other comprehensive income for the period	6,763,574	5,147,215
Total comprehensive income for the period	$ 9,110,348	$ 11,792,789
Profit attributable to:		
Owners of SCSB	$ 1,328,817	$ 3,812,072
NCI of SCSB	978,157	2,806,108
NCI of SCB's subsidiaries	39,800	27,394
	$ 2,346,774	$ 6,645,574
Total comprehensive income attributable to:		
Owners of SCSB	$ 5,224,773	$ 6,776,868
NCI of SCSB	3,846,014	4,988,527
NCI of SCB's subsidiaries	39,561	27,394
	$ 9,110,348	$ 11,792,789

	For the Year Ended December 31 2024	For the Year Ended December 31 2023
Net cash inflow (outflow) from:		
Operating activities	($ 30,629,813)	$ 82,384,505
Investing activities	54,448,421	28,768,040
Financing activities	(11,092,550)	8,579,903
Net cash inflow	$ 12,726,058	$ 119,732,448

	For the Year Ended December 31 2024	For the Year Ended December 31 2023
Dividends paid to non-controlling interests		
SCB (HK)	$ 1,982	$ 454,324

16. INVESTMENTS UNDER THE EQUITY METHOD

	December 31, 2024	December 31, 2023
Investments in associates	$ 1,559,287	$ 2,123,915

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

On December 24, 2024, Shanghai Commercial Bank (HK) had passed the meeting of directors in accordance with the policies of all shareholders. The meeting approved the sale of Hong Kong Life Insurance Co., Ltd., and reclassified the original account using the equity method as an asset held for sale, with an amount of 1,039,030 thousand.

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

	For the Year Ended December 31	
	2024	2023
Profit from continuing operations	$ 322,213	$ 334,857
Other comprehensive income for the period	195,937	16,389
Total comprehensive income for the period	$ 518,150	$ 351,246

17. OTHER FINANCIAL ASSETS, NET

	December 31, 2024	December 31, 2023
Non-performing receivables	$ 5,175	$ 4,844
Bills of exchange	1,872	3,532
	7,047	8,376
Allowance for non-performing credit card receivables	(5,175)	(4,879)
	$ 1,872	$ 3,497

The amount of non-performing receivables is made up of unsettled transactional for forward exchange contracts and credit card receivables.

The balances of credit card receivables which were reported as non-performing amounted to $5,175 thousand and $4,844 thousand as of December 31, 2024 and 2023, respectively. The unrecognized interest revenue on the receivables amounted to $80 thousand and $70 thousand for the year ended December 31, 2024 and 2023, respectively.

18. PROPERTIES, NET

	December 31, 2024	December 31, 2023
Land	$ 14,422,851	$ 14,188,189
Buildings and improvements	4,074,589	4,062,212
Mechanical equipment	778,585	759,656
Miscellaneous equipment	632,404	567,044
Transportation equipment	44,688	50,541
Construction in progress and prepayments	4,237,723	3,337,327
	$ 24,190,840	$ 22,964,969

	For the Year Ended December 31, 2024					
	Balance at January 1, 2024	Additions	Disposals	Internal Transfers	Effects of Exchange Rate Changes, Net	Balance at December 31, 2024
Cost						
Land	$ 15,168,383	$ -	($ 36,309)	$ -	$ 417,366	$ 15,549,440
Buildings and improvements	8,361,087	1,105	(8,914)	-	306,472	8,659,750
Mechanical equipment	3,223,949	322,355	(193,010)	9,900	152,995	3,516,189
Miscellaneous equipment	3,064,085	224,466	(90,555)	2,120	170,540	3,370,656
Transportation equipment	151,718	3,148	(33,056)	-	8,959	130,769
Construction in progress and prepayments	3,342,412	849,099	-	(12,020)	64,162	4,243,653
	33,311,634	$ 1,400,173	($ 361,844)	$ -	$ 1,120,494	35,470,457
Accumulated depreciation						
Land	980,194	$ 70,168	$ -	$ -	$ 76,227	1,126,589
Buildings and improvements	4,298,875	169,130	(8,872)	-	126,028	4,585,161
Mechanical equipment	2,464,293	328,117	(186,617)	93	131,718	2,737,604
Miscellaneous equipment	2,497,041	174,349	(84,456)	(93)	151,411	2,738,252
Transportation equipment	101,177	8,894	(29,458)	-	5,468	86,081
Construction in progress and prepayments	5,085	443	-	-	402	5,930
	10,346,665	$ 751,101	($ 309,403)	$ -	$ 491,254	11,279,617
Net amount	$ 22,964,969					$ 24,190,840

	For the Year Ended December 31, 2023					
	Balance at January 1, 2023	Additions	Disposals	Internal Transfers	Effects of Exchange Rate Changes, Net	Balance at December 31, 2023
Cost						
Land	$ 15,178,606	$ -	($ 178)	$ -	($ 10,045)	$ 15,168,383
Buildings and improvements	8,367,350	-	(456)	-	(5,807)	8,361,087
Mechanical equipment	2,993,406	371,126	(184,613)	46,910	(2,880)	3,223,949
Miscellaneous equipment	2,989,741	84,320	(27,424)	18,044	(596)	3,064,085
Transportation equipment	161,370	9,872	(21,959)	1,912	523	151,718
Construction in progress and prepayments	2,066,593	1,344,265	-	(66,866)	(1,580)	3,342,412
	31,757,066	$ 1,809,583	($ 234,630)	$ -	($ 20,385)	33,311,634
Accumulated depreciation						
Land	913,849	$ 68,423	$ -	$ -	($ 2,078)	980,194
Buildings and improvements	4,133,987	165,789	(125)	-	(776)	4,298,875
Mechanical equipment	2,329,922	307,281	(170,707)	-	(2,203)	2,464,293
Miscellaneous equipment	2,361,005	162,860	(25,553)	-	(1,271)	2,497,041
Transportation equipment	107,250	12,702	(19,047)	-	272	101,177
Construction in progress and prepayments	4,688	412	-	-	(15)	5,085
	9,850,701	$ 717,467	($ 215,432)	$ -	($ 6,071)	10,346,665
Net amount	$ 21,906,365					$ 22,964,969

The Group did not have any impairment losses on the properties for the year ended December 31, 2024 and 2023.

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

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

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

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

19. LEASE ARRANGEMENTS

19.1 Right-of-use assets

	December 31, 2024	December 31, 2023
Carrying amount of right-of-use assets		
Buildings and improvements	$ 1,690,875	$ 1,727,270
Office equipment	60,215	17,760
Mechanical equipment	53,229	70,375
Transportation equipment	44,904	37,883
Land	5,014	6,897
	$ 1,854,237	$ 1,860,185

	For the Year Ended December 31	
	2024	2023
Increase in right-of-use assets	$ 767,654	$ 704,340
Depreciation expenses of right-of-use assets		
Buildings and improvements	$ 734,760	$ 744,630
Office equipment	26,478	25,898
Mechanical equipment	21,669	19,825
Transportation equipment	19,737	17,208
Land	2,359	2,281
	$ 805,003	$ 809,842

19.2 Lease liabilities

	December 31, 2024	December 31, 2023
Carrying amount of lease liabilities	$ 1,878,459	$ 1,874,005

The discount rate intervals for lease liabilities are as follows:

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

19.3 Other lease information

	For the Year Ended December 31	
	2024	2023
Short-term lease expenses	$ 118,217	$ 26,823
Leases of low value assets	$ 76,024	$ 73,668
Variable lease payments which are not included in lease liabilities measurements	$ 13,783	$ 7,579
Total cash outflow for leases	$ 1,100,982	$ 949,008

The Group chooses to apply recognition exemption to the rentals of buildings, office equipment, transportation equipment that qualify as short-term lease and computer equipment which qualify as low value assets, and did not recognize related right-of-use assets and lease liabilities.

20. INVESTMENT PROPERTIES, NET

	December 31, 2024	December 31, 2023
Land	$ 6,857,541	$ 6,190,385
Buildings and improvements	1,121,001	1,074,646
	$ 7,978,542	$ 7,265,031

	For the Year Ended December 31, 2024			
	Balance at January 1, 2024	Additions	Effect of Exchange Rate Changes, Net	Balance at December 31, 2024
Cost				
Land	$ 6,244,882	$ 198,691	$ 476,189	$ 6,919,762
Buildings and improvements	1,319,172	-	98,523	1,417,695
	7,564,054	$ 198,691	$ 574,712	8,337,457
Less: Accumulated depreciation				
Land	54,497	$ 3,482	$ 4,242	62,221
Buildings and improvements	244,526	32,315	19,853	296,694
	299,023	$ 35,797	$ 24,095	358,915
Net amount	$ 7,265,031			$ 7,978,542

	For the Year Ended December 31, 2023			
	Balance at January 1, 2024	Additions	Effect of Exchange Rate Changes, Net	Balance at December 31, 2024
Cost				
Land	$ 5,837,983	$ 420,284	($ 13,385)	$ 6,244,882
Buildings and improvements	1,322,322	-	(3,150)	1,319,172
	7,160,305	$ 420,284	($ 16,535)	7,564,054
Less: Accumulated depreciation				
Land	51,216	$ 3,399	($ 118)	54,497
Buildings and improvements	213,484	31,511	(469)	244,526
	264,700	$ 34,910	($ 587)	299,023
Net amount	$ 6,895,605			$ 7,265,031

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

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

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

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

	December 31, 2024	December 31, 2023
Fair value	$ 15,712,212	$ 16,199,516

The rental income from investment properties is stated below:

	For the Year Ended December 31	
	2024	2023
Rental income from investment properties	$ 201,183	$ 208,978

21. INTANGIBLE ASSETS, NET

	December 31, 2024	December 31, 2023
Bank license	$ 1,506,609	$ 1,429,013
Computer software	687,885	605,521
Goodwill	-	92,560
	$ 2,194,494	$ 2,127,094

	For the Year Ended December 31, 2024				
	Balance at January 1, 2024	Additions	Disposals	Effects of Exchange Rate Changes, Net	Balance at December 31, 2024
Cost					
Operating license	$ 1,526,100	$ -	$ -	$ 103,629	$ 1,629,729
Computer software	1,226,239	344,920	(65,421)	32,971	1,538,709
Goodwill	92,560	-	(98,845)	6,285	-
	2,844,899	$ 344,920	($ 164,266)	$ 142,885	3,168,438
Less: Accumulated depreciation					
Operating license	97,087	$ 18,851	$ -	$ 7,182	123,120
Computer software	620,718	295,564	(65,360)	(98)	850,824
	717,805	$ 314,415	($ 65,360)	$ 7,084	973,944
Net amount	$ 2,127,094				$ 2,194,494

	For the Year Ended December 31, 2023				
	Balance at January 1, 2023	Additions	Disposals	Effects of Exchange Rate Changes, Net	Balance at December 31, 2023
Cost					
Operating license	$ 1,526,895	$ -	$ -	($ 795)	$ 1,526,100
Computer software	806,279	463,479	(65,559)	22,040	1,226,239
Goodwill	92,608	-	-	(48)	92,560
	2,425,782	$ 463,479	($ 65,559)	$ 21,197	2,844,899
Less: Accumulated depreciation					
Operating license	78,924	$ 18,325	$ -	($ 162)	97,087
Computer software	421,014	247,458	(63,622)	15,868	620,718
	499,938	$ 265,783	($ 63,622)	$ 15,706	717,805
Net amount	$ 1,925,844				$ 2,127,094

Amortization expense is computed using the straight-line method over the useful lives as follows:

Bank license	84 years
Computer software	3-5 years

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

On December 31, 2024, the Group underwent the impairment assessment of the recoverable amount of goodwill, and the calculation of the recoverable amount was based on the value in use. The calculation of the value in use was based on the cash flow of AMK's future financial projections and was calculated using the annual discount rate (15.2%) to reflect the specific risks of AMK. The assessment results showed the recoverable amount is less than its carrying amount, an goodwill impairment loss of $98,845 thousand was recognized in 2024.

22. OTHER ASSETS, NET

	December 31, 2024	December 31, 2023
Prepaid expenses	$ 6,621,985	$ 10,505,597
Refundable deposits	1,715,000	2,144,079
Temporary payments and suspension	1,593,986	1,155,533
Deferred charges	47,719	87,685
Others	1,240,253	988,412
	$ 11,218,943	$ 14,881,306

For other information on asset pledges, please refer to Note 37.

23. DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS

	December 31, 2024	December 31, 2023
Call loans from banks	$ 36,139,848	$ 28,061,114
Due to banks	6,112,495	10,314,934
Deposit from Chunghwa Post Co., Ltd.	1,221,799	1,221,799
Bank overdrafts	1,122,884	1,143,474
	$ 44,597,026	$ 40,741,321

24. SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

Securities sold under repurchase agreements as of December 31, 2024 and 2023 were $4,783,153 thousand and $591,289 thousand, respectively. The aforementioned securities will be repurchased by June 27, 2025 and June 28, 2024 at $4,786,489 thousand and $592,332 thousand, respectively.

25. PAYABLES

	December 31, 2024	December 31, 2023
Dividends payable	$ 17,449,275	$ 16,660,027
Accrued interest	8,448,204	8,693,328
Accounts payable	5,690,041	7,415,188
Accrued expenses	2,035,922	2,055,269
Acceptances	1,873,141	2,082,358
Others	935,586	1,268,043
	$ 36,432,169	$ 38,174,213

26. DEPOSITS AND REMITTANCES

	December 31, 2024	December 31, 2023
Time deposits	$ 982,421,741	$ 982,163,246
Savings deposits	636,394,734	593,639,181
Demand deposits	345,720,649	334,842,268
Negotiable certificates of deposit	70,525,400	63,454,500
Checking deposits	10,896,530	11,559,415
Remittances	260,986	433,237
	$ 2,046,220,040	$ 1,986,091,847

27. BANK DEBENTURES

27.1 The Bank

	December 31, 2024	December 31, 2023
The subordinated bank debenture - 7-10 years maturity, first issued in 2014; maturity date is from March 2021 to March 2024	$ -	$ 5,100,000
The subordinated bank debenture - 8.5 years maturity; second issued in 2015; maturity date is in June 2024	-	3,000,000
The subordinated bank debenture - 7-10 years maturity; first issued in 2017; maturity date is from June 2024 to 2027	4,800,000	5,000,000
The subordinated bank debenture - 7-10 years maturity; second issued in 2017; maturity date is from December 2024 to 2027	3,800,000	5,000,000
The subordinated bank debenture - 7-10 years maturity; first issued in 2018; maturity date is from June 2025 to 2028	5,000,000	5,000,000
The subordinated bank debenture; third issued in 2018; no maturity date	7,000,000	7,000,000
The bank debenture - 5 years maturity; first issued in 2019; maturity date is in September 2024	-	6,900,000
The bank debenture - 7-10 years maturity; first issued in 2020; maturity date is from March 2027 to 2030	10,000,000	10,000,000
The subordinated bank debenture - 7-10 years maturity; first issued in 2021; maturity date is from October 2028 to 2031	5,000,000	5,000,000
The bank debenture - 3-5 years maturity; first issued in 2022; maturity date is from July 2025 to 2027	2,000,000	2,000,000
The bank debenture – 3 years maturity; second issued in 2022; maturity date is September 2025	1,000,000	1,000,000
The subordinated bank debenture; third issued in 2022; no maturity date	1,070,000	1,070,000
The bank debenture - 3 years maturity; third issued in 2023; maturity date is in December 2026	2,000,000	2,000,000
The subordinated bank debenture - 10 years maturity; second issued in 2024; maturity date is in March 2034	2,500,000	-
The bank debenture – 5-7 years maturity; third issued in 2024; maturity date is from December 2029 to 2031	4,050,000	-
	$ 48,220,000	$ 58,070,000

The first issuance of the 2014 bank debenture was classified into two types, Types A and B, in accordance with the issued terms. Their terms and methods of interest accrual were as follows: Type A, seven-year of subordinated bank debenture at a fixed annual interest rate of 1.70%; Type B, ten-year of subordinated bank debenture at a fixed annual interest rate of 1.85%. The interests were paid annually with the repayment of principals at maturity.

The second issuance of the 2015 subordinated bank debenture was at a fixed interest rate of 1.83% with the interest paid annually and the repayment of principal at maturity

The first issuance of the 2017 bank debenture was classified into two types, Types A and B, in accordance with the issued terms. Their terms and methods of interest accrual were as follows: Type A, seven-year of subordinated bank debenture at a fixed annual interest rate of 1.50%; Type B, ten-year of subordinated bank debenture at a fixed annual interest rate of 1.85%. The interests were paid annually with the repayment of principals at maturity.

The second issuance of the 2017 bank debenture was classified into two types in accordance with the issued terms and the methods of interest accrual: Types A and B. Their terms and methods of interest accrual were as follows: Type A, seven-year of subordinated bank debenture at a fixed annual interest rate of 1.30%; Type B, ten-year of subordinated bank debenture at a fixed annual interest rate of 1.55%. Their interests were paid annually with repayment of principals at maturity.

The first issuance of the 2018 bank debenture was classified into two types in accordance with the issued terms and the methods of interest accrual: Types A and B. Their terms were as follows: Type A, seven-year of subordinated bank debenture at a fixed annual interest rate of 1.25%; Type B, ten- year of subordinated bank debenture at a fixed annual interest rate of 1.45%. Their interests were paid annually with repayment of principals at maturity.

The third issuance of the 2018 subordinated bank debenture with no maturity date was at a fixed annual interest rate of 2.15% with the interest paid annually.

The first issuance of the 2019 bank debenture was classified into two types in accordance with the issued terms and the methods of interest accrual: Types A and B. Their terms were as follows: Type A, three-year of bank debenture at a fixed annual interest rate of 0.65%; Type B, five-year of bank debenture at a fixed annual interest rate of 0.69%. Their interests were paid annually with repayment of principals at maturity.

The first issuance of the 2020 bank debenture was classified into two types in accordance with the issued terms and the methods of interest accrual: Types A and B. Their terms were as follows: Type A, seven-year of bank debenture at a fixed annual interest rate of 0.62%; Type B, ten-year of bank debenture at a fixed annual interest rate of 0.64%. Their interests were paid annually with repayment of principals at maturity.

The first issuance of the 2021 bank debenture was classified into two types in accordance with the issued terms and the methods of interest accrual: Types A and B. Their terms were as follows: Type A, seven-year of subordinated bank debenture at a fixed annual interest rate of 0.60%; Type B, ten-year of subordinated bank debenture at a fixed annual interest rate of 0.72%. Their interests were paid annually with repayment of principals at maturity.

The first issuance of the 2022 bank debenture was classified into two types in accordance with the issued terms and the methods of interest accrual: Types A and B. Their terms were as follows: Type A, three-year of bank debenture at a fixed annual interest rate of 1.60%; Type B, five-year of bank debenture at a fixed annual interest rate of 1.70%. Their interests were paid annually with repayment of principals at maturity.

The second issuance of the 2022 bank debenture was at a fixed annual interest rate of 1.40% with the interest paid annually and the repayment of principal at maturity.

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

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

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

The third issuance of the 2024 bank debenture was classified into two types in accordance with the issued terms and the methods of interest accrual: Types A and B. Their terms were as follows: Type A, five-year of bank debenture at a fixed annual interest rate of 1.90%; Type B, seven-year of bank debenture at a fixed annual interest rate of 1.95%. Their interests were paid annually with repayment of principals at maturity.

27.2 SCB (HK)

	December 31, 2024	December 31, 2023
The subordinate bank debenture- 10 years maturity, second issued in 2019, maturity date is in January 2029	$ -	$ 9,177,026
The subordinate bank debenture- 10 years maturity, third issued in 2023, maturity date is in February 2033	11,371,987	10,636,869
	$ 11,371,987	$ 19,813,895

The second issuance of the 2019 subordinated bank debenture had a fixed interest rate of 5.00% with interest to be paid semi-annually and the repayment of principal at maturity.

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

28. OTHER FINANCIAL LIABILITIES

	December 31, 2024	December 31, 2023
Principals of structured instruments	$ 7,360,739	$ 5,586,047
Appropriated loan funds	1,265,357	973,226
Bank borrowings	100,000	169,328
Commercial paper payable	69,943	109,892
Other financial liabilities	1,185,071	701,543
	$ 9,981,110	$ 7,540,036

29. PROVISIONS

	December 31, 2024	December 31, 2023
Provision for employee benefits	$ 1,897,142	$ 1,577,836
Provision for guarantees liabilities	934,386	972,678
Provision for financing commitment	129,903	331,344
Provision for unexpected losses	3,565	3,565
Provision for settlement compensation	-	338,031
Provision for other operations	277,928	353,379
	$ 3,242,924	$ 3,576,833

Provisions for changes in financing commitment and guarantee liability of the Group for the year ended December 31, 2024 and 2023 were as follows:

For the Year Ended December 31, 2024

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Individually)	Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets)	Impairment Under the Guidelines of IFRS 9	The Difference of Impairment under the Regulatory Decree	Total
Provisions for commitment and guarantee liability							
Beginning on January 1, 2024	$ 223,868	$ 170,820	$ 5,419	$ 791	$ 400,898	$ 903,124	$ 1,304,022
Changes due to financial assets recognized at the beginning of the period:							
Transfer to lifetime ECLs	(195)	14	181	-	-	-	-
Transfer to credit impaired financial assets	(218)	-	(44)	262	-	-	-
Transfer to 12-month ECLs	2,305	(164)	(2,141)	-	-	-	-
Financial assets derecognized in the current period	(108,763)	(1,917)	(2,560)	-	(113,240)	-	(113,240)
Provisions (reversal)	(33,187)	(86,077)	354	131,439	12,529	-	12,529
Purchased or originated financial assets	47,541	1,828	1,264	(14,531)	36,102	-	36,102
The difference of impairment under the regulation or decree	-	-	-	-	-	(195,925)	(195,925)
Exchange rate and other changes	14,648	85	260	5,808	20,801	-	20,801
Balance on December 31, 2024	$ 145,999	$ 84,589	$ 2,733	$ 123,769	$ 357,090	$ 707,199	$ 1,064,289

For the Year Ended December 31, 2023

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Individually)	Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets)	Impairment Under the Guidelines of IFRS 9	The Difference of Impairment under the Regulatory Decree	Total
Provisions for commitment and guarantee liability							
Beginning on January 1, 2023	$ 457,658	$ 59,928	$ 7,323	$ 6,284	$ 531,193	$ 613,913	$ 1,145,106
Changes due to financial assets recognized at the beginning of the period:							
Transfer to lifetime ECLs	(553)	62	491	-	-	-	-
Transfer to credit impaired financial assets	-	-	-	-	-	-	-
Transfer to 12-month ECLs	1,965	(619)	(1,346)	-	-	-	-
Financial assets derecognized in the current period	(332,928)	(58,901)	(3,627)	(5,497)	(400,953)	-	(400,953)
Provisions (reversal)	7,382	1,174	864	4	9,424	-	9,424
Purchased or originated financial assets	144,306	169,200	2,088	-	315,594	-	315,594
The difference of impairment under the regulation or decree	-	-	-	-	-	289,211	289,211
Changes in model/risk parameters	(22,940)	-	(353)	-	(23,293)	-	(23,293)
Exchange rate and other changes	(31,022)	(24)	(21)	-	(31,067)	-	(31,067)
Balance on December 31, 2023	$ 223,868	$ 170,820	$ 5,419	$ 791	$ 400,898	$ 903,124	$ 1,304,022

30. OTHER LIABILITIES

	December 31, 2024	December 31, 2023
Guarantee deposits received	$ 2,472,820	$ 1,798,150
Deferred revenue	2,471,183	581,109
Revenue received in advance	161,020	220,869
Temporary credit	58,597	113,209
Others	531,892	398,645
	$ 5,695,512	$ 3,111,982

31. PENSION PLAN

The Bank

(1) Defined contribution plans

The Bank adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The total amounts of contributions to the defined contribution plans for the year ended December 31, 2024 and 2023 were $117,494 thousand and $110,586 thousand, respectively.

(2) Defined benefit plans

The defined benefit plans adopted by the Bank in accordance with the Labor Standards Law is operated by the government of Taiwan. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Bank contribute amounts equal to 10% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Bank assesses the balance in the pension fund. If the amount of the balance in the pension fund 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 that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Bank has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Bank's defined benefit plans were as follows:

	For the Year Ended December 31 2024	2023
Present value of the defined benefit obligation	($ 3,017,042)	($ 3,125,396)
Fair value of the plan assets	3,482,617	3,358,260
Net defined benefit assets	$ 465,575	$ 232,864

Movements in net defined benefit assets were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Assets
Balance on January 1, 2023	($ 3,179,013)	$ 3,371,630	$ 192,617
Service cost			
Current service cost	(125,029)	-	(125,029)
Interest (expense) income	(37,908)	42,105	4,197
Recognized in profit or loss	(162,937)	42,105	(120,832)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	29,850	29,850
Actuarial losses - experience adjustments	(148,706)	-	(148,706)
Recognized in other comprehensive income	(148,706)	29,850	(118,856)
Contributions from the employer	-	279,935	279,935
Benefits paid	365,260	(365,260)	-
Balance on December 31, 2023	($ 3,125,396)	$ 3,358,260	$ 232,864

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Assets
Balance on January 1, 2024	($ 3,125,396)	$ 3,358,260	$ 232,864
Service cost			
Current service cost	(98,696)	-	(98,696)
Interest (expense) income	(36,722)	41,430	4,708
Recognized in profit or loss	(135,418)	41,430	(93,988)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	258,214	258,214
Actuarial gains - changes in financial assumptions	58,990	-	58,990
Actuarial losses - experience adjustments	(274,620)	-	(274,620)
Recognized in other comprehensive income	(215,630)	258,214	42,584
Contributions from the employer	-	284,115	284,115
Benefits paid	459,402	(459,402)	-
Balance on December 31, 2024	($ 3,017,042)	$ 3,482,617	$ 465,575

Through the defined benefit plans under the Labor Standards Law, the Bank is exposed to the following risks:

A. Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

B. Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

C. Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31, 2024	December 31, 2023
Discount rate	1.50%	1.25%
Expected rate of salary increase	2.75%	2.75%

If possible reasonable changes in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31, 2024	December 31, 2023
Discount rate		
0.25% increase	($ 57,385)	($ 63,193)
0.25% decrease	$ 58,990	$ 65,053
Expected rate of salary increase		
0.25% increase	$ 48,274	$ 53,366
0.25% decrease	($ 47,158)	($ 52,065)

The sensitivity analysis presented above may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31, 2024	December 31, 2023
Average duration of the defined benefit obligation	7.8 years	8.3 years
Expected contributions to the plans for the next year	$ 291,928	$ 287,633

(3) Employee preferential deposit plan

The Bank's obligation to pay the quota deposits of current staff and retired employees is based on the Bank's relevant employee preferential deposit benefits. In accordance with the guidelines for the Regulations Governing the Preparation of Financial Reports by Public Banks, the Bank needs to measure on the excess interest arising from the post-retirement preferential deposit interest rate through actuarial process .

The actuarial assumptions of the retired employees' preferential deposit and welfare expenses are based on the Banking Bureau's requirement dated March 15, 2012 (Ref. No. 10110000850). The assumptions are as follows:

	December 31, 2024	December 31, 2023
Discount rate	4.00%	4.00%
Deposit rate of return	2.00%	2.00%
Preferential deposit withdrawal rate	2.00%	2.00%
Change in the preferential deposit policy	50.00%	50.00%

The amount of the Bank’s obligations arising from the preferential deposit plan for retired employees is included in the balance sheet as follows:

	December 31, 2024	December 31, 2023
Retired employees’ preferential deposit liabilities, net	$ 769,171	$ 667,543

The amounts of the retired employees' preferential deposit benefit expenses in the consolidated statements of comprehensive income for the year ended December 31, 2024 and 2023 were $138,532 thousand and $96,214 thousand, respectively; and in other comprehensive losses were $47,295 thousand and $81,086 thousand, respectively.

(4) Other long-term employee benefit liabilities

Current employees who are eligible for retirement will be given a pension according to the retirement plan. If employees do not have the qualification to retire, (a) the pension will be paid for one month if the service lasts less than one year; (b) if the service lasts more than one year and less than five years, they will receive pension for one month for serving each full year; (c) if the service lasts for more than five years, the pension is calculated according to the actuarial calculation method. However, the calculation method is only applicable to the service that existed before the application of the new system.

The amounts of the Bank’s obligations arising from the employee's pension were included in the balance sheets as follows:

	December 31, 2024	December 31, 2023
Other long-term employee benefit liabilities, net	$ 14,180	$ 13,961

The Bank recognized employee pension benefit cost of $218 thousand and $1,499 thousand in the consolidated statements of comprehensive income for the year ended December 31,2024 and 2023, respectively.

SUBSIDIARIES

(1) Defined contribution plans

The Bank adopted a pension plan under the LPA, which is a defined contribution plan. Under the LPA, an entity makes monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages. Retirement benefits provided by foreign subsidiaries in accordance with local laws and regulations are funded, and the pension funds are held as independently managed funds separate from the assets of the foreign subsidiaries.

The total amounts of contributions to the defined contribution plans as reported in the consolidated statements of comprehensive income for the year ended December 31, 2024 and 2023 were $434,736 thousand and $378,556 thousand, respectively.

(2) Defined benefit plans

Domestic and foreign subsidiaries recognize the relevant costs based on the results of the evaluation of the actuary. Costs of the defined benefit plans recognized in the consolidated statements of comprehensive loss in 2024 and 2023 were $71 thousand and $379 thousand, respectively; and other comprehensive expense and income were $13,851 thousand and $302 thousand, respectively.

Provision for employee benefits

	December 31, 2024	December 31, 2023
Defined benefit liabilities	$ 1,113,791	$ 971,805
Retired employees' preferential deposit liabilities	769,171	592,070
Other long-term employment benefits	14,180	13,961
	$ 1,897,142	$ 1,577,836

32. EQUITY

32.1 Share capital

Ordinary shares

	December 31, 2024	December 31, 2023
Authorized shares (in thousands)	6,000,000	6,000,000
Authorized capital	$ 60,000,000	$ 60,000,000
Issued and fully paid shares (in thousands)	4,861,603	4,861,603
Issued capital	$ 48,616,031	$ 48,616,031

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

32.2 Capital surplus

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

The capital surplus from shares issued in excess of par (including additional paid-in capital from the issuance of ordinary shares, conversion of bonds and treasury share transactions) and donations may be capitalized from capital surplus into share capital, which is limited to a certain percentage of the Bank's paid-in capital.

The capital surplus from investments accounted for using the equity method, dividends not yet collected by shareholders has limited use and can only be used to offset losses.

Since the shares held by subsidiaries were classified as treasury shares, cash dividend distributed to subsidiaries was then recorded as capital surplus - treasury shares according to the shareholding ratio.

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

32.3 Retained earnings and dividend policy

According to the earnings distribution policy of the Bank, where the Bank made a surplus profit in its annual accounts, the profit shall be first utilized for paying taxes and then offsetting losses of previous years. As required by the law, 30% of profit shall be allocated as the legal reserve. However, when the amount of statutory surplus reserve has reached the amount of total paid-in capital of the Bank, the required allocation of 30% of profit to the legal reserve is waived and any amount exempted from allocation to capital reserve may be appropriated to or reversed from the special surplus reserve for distribution of special dividends. After the abovementioned appropriations, the balance and accumulated unappropriated earnings of the previous year, including the special reserve shall be available for earnings for distribution. The board of directors drafts a plan for surplus distribution and submits it to the shareholders' meeting for approval.

If the Bank has no deficit and the legal reserve has exceeded 25% of the Bank's paid-in capital, the excess may be corrected into capital (share capital) or distributed in cash. However, under the Banking Act, if legal reserve is less than its paid-in capital, the Bank is allowed to distribute cash earnings only up to 15% of its capital. For the estimation on the distribution of employees' compensation and remuneration of directors, refer to employee benefits expense in Note 33(7).

The Bank has made special reserves for the adoption of IFRS in accordance with Rule No. 1010012865 issued by the FSC on April 6, 2012 and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs".

The Bank held the shareholders' meeting on June 21, 2024 and June 13, 2023 for the appropriations of earnings and dividends per share for 2023 and 2022 were as follows:

	Appropriation of Earnings		Dividends Per Share (In NT Dollar)	
	2023	2022	2023	2022
Special reserve (reserve) set aside	($ 5,583,505)	$ 5,583,505		
Cash dividends - ordinary shares	8,750,886	8,750,886	$ 1.80	$ 1.80

The appropriations of earnings and dividends per share for 2024 are subjected to the approval of the board directors' meeting on March 21, 2025 and shareholders' meetings on June 13, 2025.

32.4 Special reserve

The Bank made a special reserve due to the transfer of $1,256,859 thousand of its cumulative translation adjustment reported in equity to retained earnings upon first-time IFRS adoption. There was no change in the balance of the special reserve for the year ended December 31, 2024.

According to Rule No. 10510001510 issued by the FSC on May 25, 2016, public bank shall appropriate to a special reserve 0.5% to 1.0% of net profit. Public banks may reverse the same amount of transfers or resettle the expenses starting from 2017. However, in accordance with Rule No. 10802714560 issued by the FSC, starting from 2019, the special reserve method will no longer be used to respond to the development of financial technology and protect the rights and interests of domestic bank employees, and to transfer expenses for employees to pay or resettlement expenses, and employee education and training expenses in response to the needs of financial technology or banking business development shall be returned within the scope of the special surplus reserve balance mentioned above. The Bank made a special reserve in the amount of $189,228 thousand according to the rule on December 31, 2024.

In accordance with the Securities and Exchange Acts 41-1 and Rule No.1090150022 issued by the FSC on March 31, 2021, upon the first-time adoption for IFRSs for public companies, special reserve shall be made with the following:

(1) With respect to the negative other equity interest for the period in which it arises, an equivalent amount of special reserve shall be set aside from the profit after tax for the period, plus other eligible items that are included in the undistributed earnings of the period. If there remains any insufficiency, it shall be set aside from the undistributed earnings of the previous period. Since the undistributed earnings of the previous period have been withdrawn, the Bank had included a special reserve of $5,583,505 thousand.

(2) With respect to the negative other equity interest accumulated from prior periods, an equivalent amount of special reserve shall be set aside from the undistributed earnings as at the prior period end.

Where the undistributed earnings from the prior period are insufficient, the deficit can be made from the undistributed earnings of the current period which are contributed by the profit after tax of the current period plus any other eligible items. If subsequently there is any reversal of the negative other equity interest, the amount of the reversal may be reversed from special reserve and booked for earnings distribution. Until December 31, 2023 the Bank had reversed the special reverse of $5,583,505 thousand according to the resolution of the shareholders' regular meeting on June 21, 2024.

32.5 Other equity

Other equity in consolidated company includes exchange differences arising from the translation of financial statements of foreign operations, unrealized gain or loss on financial assets measured at fair value through other comprehensive income, and the impact of credit risk on financial liabilities designated at fair value. Relevant changes and impacts are detailed in the consolidated statement of changes in equity.

32.6 Treasury shares

On December 31, 2024 and 2023, SCB (HK) and China Travel Service (Taiwan) held 11,370 thousand shares and 27 thousand shares of the Bank, respectively.

Under the Company Act, the Bank is not allowed to buy back more than 5% of its issued shares. In addition, the total cost of treasury shares may not exceed the sum of the retained earnings and realized capital surplus. The Bank is not allowed to exercise shareholders' rights on these shares before they are resold. The shares held by its subsidiaries are treated as treasury shares, except for participating in the Bank's cash addition and voting rights, the rest is the same as the general shareholder's rights.

32.6. Non-controlling interests

	For the Year Ended December 31	
	2024	2023
Beginning balance	$ 60,279,352	$ 55,862,013
Attributed to non-controlling interests		
Net income	960,825	2,765,142
Translation adjustments for foreign operations	4,600,218	(79,184)
Unrealized gain on financial assets measured at FVTOCI	3,174,882	2,626,652
Realized gain on financial assets measured at FVTOCI	(17,367)	(4,205)
Gain (loss) on investments in debt instruments measured at FVTOCI	7,283	(8,072)
Share of other comprehensive profit and loss under the equity method	83,077	6,874
Income tax effect	(129,941)	(435,544)
Cash dividends distribution	(1,982)	(454,324)
Ending balance	$ 68,956,347	$ 60,279,352

33. DETAILS OF COMPREHENSIVE INCOME STATEMENT ITEMS

33.1 Interest revenue, net

	For the Year Ended December 31	
	2024	2023
Interest income		
Discounts and loans	$ 51,555,542	$ 52,852,570
Securities investments	17,021,792	13,056,006
Due from banks	16,459,899	14,635,010
Credit card interests	124,089	118,136
Others	339,398	210,209
	85,500,720	80,871,931
Interest expense		
Deposits	42,964,858	37,239,339
Bank debentures	2,042,819	2,596,082
Due to banks	1,199,517	1,525,409
Structured instruments	292,312	119,003
Leased liability	69,511	63,276
Securities sold under repurchase agreements	43,302	5,870
Others	182,549	171,378
	46,794,868	41,720,357
Interest income, net	$ 38,705,852	$ 39,151,574

33.2 Service fee income, net

	For the Year Ended December 31	
	2024	2023
Service fee income		
Trust and custody services	$ 1,988,319	$ 1,525,056
Insurance commission fees	1,575,602	675,440
Loan service fees	1,016,965	1,243,122
Credit card related fees	691,704	647,395
Nominee and brokerage service charge	687,919	629,533
Guarantees related fees	626,749	689,996
Exchange related fees	381,809	361,519
Inward/outward business	226,605	237,162
Others	795,036	705,812
	7,990,708	6,715,035
Service charge		
Credit card service charge	$ 377,376	$ 354,524
Nominee and brokerage service charge	112,837	117,002
Finance service charge	71,293	59,816
Custody service charge	30,434	30,315
Inter-bank service charge	15,924	15,532
Others	591,563	648,379
	1,199,427	1,225,568
Service fee income, net	$ 6,791,281	$ 5,489,467

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

	For the Year Ended December 31, 2024		
	Realized Gain (Loss)	Unrealized Gain (Loss)	Total
Financial assets mandatorily classified as at FVTPL	$ 15,471,194	($ 1,836,336)	$ 13,634,858
Held-for-trading financial liabilities	(17,401,275)	804,396	(16,596,879)
Financial liabilities designated at FVTPL	-	262,303	262,303
	($ 1,930,081)	($ 769,637)	($ 2,699,718)

	For the Year Ended December 31, 2023		
	Realized Gain (Loss)	Unrealized Gain (Loss)	Total
Financial assets mandatorily classified as at FVTPL	$ 11,275,504	$ 657,879	$ 11,933,383
Held-for-trading financial liabilities	(12,427,958)	(429,481)	(12,857,439)
Financial liabilities designated at FVTPL	-	(20,132)	(20,132)
	($ 1,152,454)	$ 208,266	($ 944,188)

33.4 Realized gain or loss on financial assets at FVTOCI

	For the Year Ended December 31	
	2024	2023
Dividend income	$ 3,815,410	$ 2,380,600
Disposal of debt instruments	378,832	82,020
	$ 4,194,242	$ 2,462,620

33.5 Other non-interest income

	For the Year Ended December 31	
	2024	2023
Rent revenue	$ 517,650	$ 509,830
Property transaction gain (loss)	116,841	(9,560)
Provision for outstanding claims	(140,771)	(338,031)
Others	(135,972)	269,167
	$ 357,748	$ 431,406

33.6 Employment benefits expense

	For the Year Ended December 31	
	2024	2023
Short-term employment benefits	$ 10,214,551	$ 9,966,570
Retirement benefits		
Defined contribution plan	552,230	489,142
Defined benefit plan	94,059	117,332
Other benefit plan	689,140	541,660
	$ 11,549,980	$ 11,114,704

33.7 Compensation of employees and remuneration of directors

The employees' compensation and remuneration of directors were at the rates of no less than 0.1% and no higher than 0.6%, respectively, of net profit before income tax, employees' compensation and directors' remuneration.

The employees' compensation and the remuneration of directors for 2023 and 2022 as approved by board of director on March 29, 2024 and March 23, 2023, respectively, were as follows:

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

The employees' compensation and the remuneration of directors for the year ended December 31, 2024 were as follows:

	For the Year Ended December 31, 2024
	Cash
Employees' compensation	$ 76,000
Remuneration of directors	$ 46,000

The remuneration of employees and directors for the 2024 is subject to the resolution of the board of directors held on March 21, 2025.

If the amount of the annual consolidated financial report changes after the release date, it will be treated according to the changes in accounting estimation and will be adjusted in the next year.

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

Information on the employees' compensation and remuneration of directors resolved by the Bank's board of directors in 2024 and 2024 is available on the Market Observation Post System website of the Taiwan Stock Exchange.

33.8 Depreciation and amortization

	For the Year Ended December 31	
	2024	2023
Depreciation expense		
Right-of-use assets	$ 805,003	$ 809,842
Properties	751,101	717,467
Investment properties	35,797	34,910
	1,591,901	1,562,219
Amortization expense		
Intangible assets	314,415	265,783
Other assets	40,809	55,002
	355,224	320,785
	$ 1,947,125	$ 1,883,004

34. INCOME TAXES RELATING TO CONTINUING OPERATIONS

34.1 Income tax expense recognized in profit or loss

The major components of tax expenses were as follows:

	For the Year Ended December 31	
	2024	2023
Current tax		
In respect of the current year	$ 4,704,364	$ 4,878,821
In respect of prior periods	(124,266)	(201,282)
Undistributed retained earnings	580,841	1,452
	5,160,939	4,678,991
Deferred tax		
In respect of the current year	(1,008,652)	(874,946)
In respect of prior periods	(1,663,937)	(378)
	(2,672,589)	(875,324)
Income tax expense recognized in profit or loss	$ 2,488,350	$ 3,803,667

The reconciliation of accounting profit and income tax expenses is as follows：

	For the Year Ended December 31	
	2024	2023
Profit before tax from continuing operations	$ 16,927,658	$ 21,228,804
Income tax expense calculated at the statutory rate	$ 3,519,919	$ 4,556,890
Add (deduct) tax effect of：		
Tax-exempt cash dividend	(672,749)	(440,281)
Permanent difference - investment income	(1,243)	(246,059)
Tax-exempt gain on security transactions	(10,183)	(7,667)
Tax-exempt income from offshore banking unit (OBU)	(25,343)	(817,311)
Others	885,311	958,303
	3,695,712	4,003,875
Tax on unappropriated earnings	580,841	1,452
Adjustments for prior years' current tax	(124,266)	(201,282)
Adjustments for prior years' deferred tax	(1,663,937)	(378)
Income tax expense recognized in profit or loss	$ 2,488,350	$ 3,803,667

34.2 Income tax expense recognized in other comprehensive income

	For the Year Ended December 31 2024	2023
Deferred income tax		
Recognized in other comprehensive income		
Translation adjustments for foreign operations	($ 1,251,425)	$ 65,772
Unrealized gain or loss on financial assets measured at FVTOCI	(357,499)	(1,287,932)
Defined benefit plans remeasurement	321	40,034
Income tax expense recognized in other comprehensive income	($ 1,608,603)	($ 1,182,126)

34.3 Current tax assets and liabilities

	December 31, 2024	December 31, 2023
Current tax assets		
Tax refund receivable	$ 185,113	$ 201,172
Current tax liabilities		
Income tax payable	$ 956,186	$ 2,247,639

34.4 Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the Year Ended December 31, 2024

Deferred Tax Assets	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Translation Difference	Ending Balance
Temporary differences					
Doubtful debts	$ 1,630,428	($ 558,262)	$ -	$ 2,366	$ 1,074,532
Impairment loss on financial assets at FVTOCI	20,897	(8,452)	-	-	12,445
Unrealized loss on financial instruments	1,205,782	(167,560)	(357,499)	158,642	839,365
Unrealized foreign exchange loss	194,476	(194,476)	-	-	-
Cumulative translation adjustment	16,243	-	-	-	16,243
Employee benefits plan	158,668	(19,122)	321	2,215	142,082
Others	1,160,823	1,507,260	(6,391)	189,900	2,851,592
	$ 4,387,317	$ 559,388	($ 363,569)	$ 353,123	$ 4,936,259
Deferred Tax Liabilities					
Temporary differences					
Investment gain of foreign subsidiaries recognized under equity method	(10,551,004)	2,147,957	(1,245,034)	-	(9,648,081)
Unrealized foreign exchange gain	-	(80,322)	-	-	(80,322)
Unrealized gain on financial instruments	-	(4,338)	-	-	(4,338)
Others	(273,197)	49,905	-	(17,394)	(240,686)
	($ 10,824,201)	$ 2,113,202	($ 1,245,034)	($ 17,394)	($ 9,973,427)

For the Year Ended December 31, 2023

Deferred Tax Assets	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Translation Difference	Ending Balance
Temporary differences					
Doubtful debts	$ 1,431,468	$ 196,681	$ -	$ 2,279	$ 1,630,428
Impairment loss on financial assets at FVTOCI	29,312	(8,415)	-	-	20,897
Unrealized loss on financial instruments	2,428,773	133,817	(1,287,932)	(68,876)	1,205,782
Unrealized foreign exchange loss	95,932	98,544	-	-	194,476
Cumulative translation adjustment	16,243	-	-	-	16,243
Employee benefits plan	139,767	(21,126)	40,034	(7)	158,668
Others	255,103	909,674	3,552	(7,506)	1,160,823
	$ 4,396,598	$ 1,309,175	($ 1,244,346)	($ 74,110)	$ 4,387,317
Deferred Tax Liabilities					
Temporary differences					
Investment gain of foreign subsidiaries recognized under equity method	(10,186,588)	(426,636)	62,220	-	(10,551,004)
Others	(265,479)	(7,215)	-	(503)	(273,197)
	($ 10,452,067)	($ 433,851)	$ 62,220	($ 503)	($ 10,824,201)

34.5 Income tax assessments

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

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

35. EARNINGS PER SHARE

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

Unit: NT$ Per Share

	For the Year Ended December 31	
	2024	2023
Basic earnings per share	$ 2.78	$ 3.02
Diluted earnings per share	$ 2.78	$ 3.02

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share were as follows:

Net Profit for the Period

	For the Year Ended December 31	
	2024	2023
Earnings used in the computation of basic and diluted earnings per share	$ 13,478,483	$ 14,659,995

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

	For the Year Ended December 31	
	2024	2023
Weighted average number of ordinary shares in computation of basic earnings per share	4,850,206	4,850,206
Effect of potentially dilutive ordinary shares:		
Employees' compensation	2,183	1,859
Weighted average number of ordinary shares used in the computation of diluted earnings per share	4,852,389	4,852,065

In the computation of diluted earnings per share, it assumed the entire amount of the compensation will be settled in potential shares. If the Bank offered to settle compensation paid to employees in cash or shares, the potential shares are included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

36. RELATED-PARTY TRANSACTIONS

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

36.1 The Bank's related parties

Related Party	Relationship with the Bank
The SCSB Cultural & Educational Foundation	Substantive related party
The SCSB Charity Foundation	Substantive related party
Silks Place Taroko	Substantive related party
Hung Ta Investment Corporation	Substantive related party
Taiwan Finance Corporation	Substantive related party
Financial Information Service Co., Ltd.	Substantive related party
IBF Securities Co., Ltd.	Substantive related party
Other related parties	The relatives of the Bank's directors and related management

36.2 Significant transactions between related parties

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

36.2.1 Deposits

	December 31, 2024			For the Year Ended December 31, 2024
	Maximum Balance	Ending Balance	Interest Rate (%)	Interest Expense
Directors and related management	$ 8,632,123	$ 7,942,100	0.00-5.50	$ 364,352
IBF Securities Co., Ltd.	5,823,437	4,883,622	0.64-1.45	36,493
Financial Information Service Co., Ltd.	978,980	978,980	0.55-1.45	12,895
The SCSB Cultural & Educational Foundation	347,772	319,496	0.01-1.72	4,872
Employees	333,636	121,826	0.00-10.94	4,384
Others	428,379	162,481	0.00-5.15	1,997
	$ 16,544,327	$ 14,408,505		$ 424,993

	December 31, 2023			For the Year Ended December 31, 2023
	Maximum Balance	Ending Balance	Interest Rate (%)	Interest Expense
Directors and related management	$ 10,134,397	$ 10,034,918	0.00-4.48	$ 535,972
IBF Securities Co., Ltd.	5,023,843	4,579,118	0.43-1.55	27,606
Financial Information Service Co., Ltd.	965,290	965,290	0.43-1.50	13,560
Taiwan Finance Corporation	500,011	11	0.00-1.50	616
The SCSB Cultural & Educational Foundation	347,669	329,519	0.01-1.60	3,599
Employees	309,269	81,691	0.00-10.79	4,232
Others	398,140	169,510	0.00-4.60	2,295
	$ 17,678,619	$ 16,160,057		$ 587,880

36.2.2 Interest receivable (accounted for as receivables)

	December 31, 2024	December 31, 2023
Directors and related management	$ 105	$ 10

36.2.3 Interest payable (accounted for as payables)

	December 31, 2024	December 31, 2023
Financial Information Service Co., Ltd.	$ 2,440	$ 2,249
IBF Securities Co., Ltd.	1,607	1,339
Directors and related management	630	183
The SCSB Cultural & Educational Foundation	100	93
The SCSB Charity Foundation	3	75
	$ 4,780	$ 3,939

36.2.4 Guarantee deposits received (accounted for as other liabilities)

	December 31, 2024	December 31, 2023
The SCSB Cultural & Educational Foundation	$ 318	$ 318

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

	For the Year Ended December 31	
	2024	2023
The SCSB Cultural & Educational Foundation	$ 1,282	$ 1,282

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

36.2.6 Loans

		December 31, 2024							For the Year Ended December 31, 2024
				Performance					
Category	Name	Maximum Balance	Ending Balance	Normal Loans	Non-performing Loans	Collateral	Interest Rate (%)	Difference of Terms of the Transactions with Unrelated Parties	Interest Income
Loans for personal house mortgage	Directors and related management (3)	$ 27,576	$ 21,445	$ 21,445	$ -	Real estate	2.06~2.48	None	$ 528
Others	Directors and related management (12)	236,627	219,666	219,666	-	Real estate	1.82~2.39	None	40,228
	Directors and related management (4)	2,094	1,012	1,012	-	None	2.11~2.55	None	26
		$ 266,297	$ 242,123	$ 242,123	$ -				$ 40,782

		December 31, 2023							For the Year Ended December 31, 2023
				Performance				Difference of Terms of the Transactions with Unrelated Parties	
Category	Name	Maximum Balance	Ending Balance	Normal Loans	Non-performing Loans	Collateral	Interest Rate (%)		Interest Income
Loans for personal house mortgage	Directors and related management (2)	$ 29,899	$ 14,663	$ 14,663	$ -	Real estate	2.05~2.35	None	$ 302
Others	Directors and related management (8)	187,772	172,105	172,105	-	Real estate/ financial instruments	1.93~2.32	None	79,125
	Directors and related management (2)	1,109	418	418	-	None	2.00~2.20	None	16
		$ 218,780	$ 187,186	$ 187,186	$ -				$ 79,443

Employee deposits and loans have better interest rates within regulated limits, while other related party transactions have similar terms as non-related party transactions.

Under the provisions of Articles 32 and 33 of the Banking Act, the Bank shall not make unsecured loans to related party, except for consumer loans under certain limits, and government loans. Secured loans to a related party should be fully guaranteed, and the relevant terms should not be superior to other similar credit clients.

36.2.7 Disposal of property, plant and equipment

	Transaction Amount		Gain on Disposal	
	For the Year Ended December 31		For the Year Ended December 31	
Name of related-party	2024	2023	2024	2023
Others	$ -	$ 3,675	$ -	$ 3,116

36.2.8 Donation

	For the Year Ended December 31	
	2024	2023
The SCSB Cultural & Educational Foundation	$ 15,000	$ 15,000

36.2.9 Property transaction

For the disposal of real estate to a related party for the year ended December 31, 2024, refer to Table 4. No property transaction to related party for the year ended December 31, 2023.

36.3 Compensation of directors and management personnel

The compensation of key management personnel for the year ended December 30, 2024 and 2023 was as follows:

	For the Year Ended December 31	
	2024	2023
Salaries and other short-term employee benefits	$ 428,271	$ 512,944
Remuneration of directors	109,918	116,362
Post-employment benefits	49,691	54,408
Bonuses and employees' compensation	117,245	92,666
Others	86,105	838
	$ 791,230	$ 777,218

37. PLEDGED ASSETS

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

	December 31, 2024	December 31, 2023	Guaranty Purpose
The Bank			
Investments in debt instruments measured at amortized cost	$ 12,000,000	$ 12,000,000	Day-term overdraft with the pledge

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

	December 31, 2024	December 31, 2023	Guaranty Purpose
The Bank			
Financial assets at FVTOCI	$ 448,643	$ 413,133	Operating guarantee

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

	December 31, 2024	December 31, 2023	Guaranty Purpose
Investments in debt instruments measured at amortized cost	$ 3,615,875	$ 8,483,343	Operating guarantee
Financial assets at FVTOCI	12,579,686	5,651,041	Operating guarantee
Due from the Central Bank and call loans to banks	1,999,299	2,120,400	Operating guarantee
Financial assets at FVTPL	-	3,969,778	Guaranteed loan
Due from the Central Bank and call loans to banks	-	42,920	Guaranteed loan
Other assets	623,663	534,883	Guaranteed derivative
	$ 18,818,523	$ 20,802,365	

38. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

	December 31, 2024	December 31, 2023
Commitments of forward contracts with customers	$ 477,107,270	$ 485,804,738
Assets under trust	240,488,399	209,710,684
Securities in custody	238,131,966	221,552,070
Guarantee notes payable	99,753,100	102,915,905
Government bonds in brokerage accounts	31,660,000	37,149,200
Receivables under custody	23,815,769	24,872,789
Short-term bills in brokerage accounts	1,468,140	1,315,800

38.2 Material litigation

Vegesentials commenced civil proceedings before the Business and Property Courts of the High Court of Justice of England and Wales against the Bank in August, 2020. Vegesentials claimed that it relied upon a fraudulent document issued by a former employee of the Bank to enter into a transaction which stated that the counterparty had the funds to purchase some of its shares. Vegesentials therefore asked the Bank to compensate it for its loss on the basis of vicarious liability. In April, 2022, Fiber Water Limited joined the lawsuit as a co-plaintiff due to the assignment of claims. After receiving Vegesentials' claim in September, 2020, the Bank instructed English legal counsel to defend the Bank in the proceedings. The trial process has been completed by the High Court of Justice of England and Wales in October, 2023. The English Court ordered that the Bank shall pay GBP 7,034,402 in January, 2024. Relevant information about the above litigation is available on the Market Observation Post System website of the Taiwan Stock Exchange.

In April ,2024, the Bank was on behalf of the subsidiary, SCB, to announce the receipt of notice from the U.S. Bankruptcy Court that debtors filed a complaint for damages. The plaintiffs (including the debtors) filed a complaint for damages against all defendants, including Shanghai Commercial Bank

Ltd, New York Branch and its responsible person and three personnel, as well as the Bank, claimed that they had suffered damages totaling no less than US$356,000,000 due to breach of contract and fiduciary duty etc. The Bank currently assesses that it will not have a significant impact on its finances and business. Relevant information about the above litigation is available on the Market Observation Post System website of the Taiwan Stock Exchange.

39. SIGNIFICANT SUBSEQUENT EVENTS

None.

40. FINANCIAL INSTRUMENTS

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

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

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

	December 31, 2024		December 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Investments in debt instruments measured at amortized cost	$ 235,146,758	$ 235,030,208	$ 268,753,450	$ 268,546,735
Financial liabilities				
Bank debentures	59,591,987	59,864,065	77,883,895	78,117,554

40.1.2 Fair value level

	December 31, 2024			
	Total	Level 1	Level 2	Level 3
Financial assets				
Financial assets measured at amortized cost	$ 235,030,208	$ 26,980,092	$ 208,050,116	$ -
Financial liabilities				
Bank debentures	59,864,065	-	59,864,065	-

	December 31, 2023			
	Total	Level 1	Level 2	Level 3
Financial assets				
Financial assets measured at amortized cost	$ 268,546,735	$ 39,057,983	$ 229,488,752	$ -
Financial liabilities				
Bank debentures	78,117,554	-	78,117,554	-

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

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

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

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

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

40.2.1 Fair value level

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

Financial Instruments Measured at Fair Value	December 31, 2024 Total	Level 1	Level 2	Level 3
Non-derivative financial instruments				
Assets				
Financial assets measured at FVTPL				
Financial assets mandatorily classified as at FVTPL				
Shares	$ 213,166	$ 147,621	$ -	$ 65,545
Bonds	1,336,058	695,881	640,177	-
Financial assets at FVTOCI				
Equity instruments	51,404,856	46,653,182	-	4,751,674
Debt instruments	423,840,248	264,262,414	159,565,696	12,138
	$ 476,794,328	$ 311,759,098	$ 160,205,873	$ 4,829,357
Liabilities				
Financial liabilities measured at FVTPL	$ 2,438,063	$ -	$ 2,438,063	$ -
Derivative financial instruments				
Assets				
Financial assets measured at FVTPL	$ 4,020,286	$ 559,993	$ 3,460,293	$ -
Liabilities				
Financial liabilities measured at FVTPL	$ 3,387,845	$ 294	$ 3,387,551	$ -

Financial Instruments Measured at Fair Value	December 31, 2023 Total	Level 1	Level 2	Level 3
Non-derivative financial instruments				
Assets				
Financial assets measured at FVTPL				
Financial assets mandatorily classified as at FVTPL				
Shares	$ 268,073	$ 213,898	$ -	$ 54,175
Bonds	3,954,124	3,954,124	-	-
Financial assets at FVTOCI				
Equity instruments	34,054,212	29,564,922	-	4,489,290
Debt instruments	354,535,005	206,259,754	148,263,956	11,295
	$ 392,811,414	$ 239,992,698	$ 148,263,956	$ 4,554,760
Non-derivative financial instruments				
Liabilities				
Financial liabilities measured at FVTPL	$ 2,191,711	$ -	$ 2,191,711	$ -
Derivative financial instruments				
Assets				
Financial assets measured at FVTPL	$ 4,236,882	$ 276,513	$ 3,960,369	$ -
Liabilities				
Financial liabilities measured at FVTPL	$ 4,850,372	$ 28,189	$ 4,822,183	$ -

There were no transfers of financial instruments between Level 1 and Level 2 fair value measurement for the year ended December 31, 2024 and 2023.

40.2.2 Reconciliation of Level 3 fair value measurement

For the Year Ended December 31, 2024

Item	Beginning Balance	Amount of Valuation Gain or Loss		Addition		Reduction		Exchange	Ending Balance
		Included in Profit or Loss	Included in Other Comprehensive Income	Buy or Issue	Transferred In	Sell Out, Disposal or Settlement	Transferred Out from Third Level		
Assets									
Financial assets measured at FVTPL	$ 54,175	$ 7,132	$ -	$ -	$ -	$ -	$ -	$ 4,238	$ 65,545
Financial assets measured at FVTOCI	4,500,585	-	156,704	-	876,150	(5,677)	(885,330)	121,380	4,763,812

For the Year Ended December 31, 2023

Item	Beginning Balance	Amount of Valuation Gain or Loss		Addition		Reduction		Exchange	Ending Balance
		Included in Profit or Loss	Included in Other Comprehensive Income	Buy or Issue	Transferred In	Sell Out, Disposal or Settlement	Transferred Out from Third Level		
Assets									
Financial assets measured at FVTPL	$ -	$ 6,147	$ -	$ -	$ 48,226	$ -	$ -	($ 198)	$ 54,175
Financial assets measured at FVTOCI	2,902,389	-	1,591,648	66,481	-	(3,839)	-	(56,094)	4,500,585

40.2.3 Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Bonds	Valuation was based on observable market prices or assessed by using cash flow method through observable elements.
Derivatives	Valuation was based on widely-adapted pricing techniques. The inputs were assessed by observable elements in the market.
Others	Valuation was based on observable market prices or assessed by using cash flow method through observable elements.

40.2.4 Valuation techniques and inputs applied for Level 3 fair value measurement

The fair value of financial assets classified as Level 3 included but was not limited to bond investments measured at FVTPL, and investments in bonds and equity securities measured at FVTOCI.

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

Measuring at fair value on a repeatability basis	Fair Value December 31, 2024	Valuation Techniques	Significant Unobservable Inputs	Interval (Weighted-Average)	Notes
Financial assets measured at FVTPL					
Shares	$ 65,545	Market approach	Price to book ratio	100%	Positively correlated to fair value
Financial assets measured at FVTOCI					
Shares	4,751,674	1. Market approach	1. Market liquidity reduction	1. 10%-19%	1. Negatively correlated to fair value
		2. Net asset value method	2. Market liquidity reduction	2. 10%-19%	2. Negatively correlated to fair value
		3. Discounted dividend method	3. Cost of equity	3. 15.12%	3. Negatively correlated to fair value
			4. Sustainable growth rate	4. 13.05%	4. Negatively correlated to fair value
Bonds	12,138	Discounted cash flow method	Discount rate	0%-10%	Negatively correlated to fair value

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

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

The Group reasonably measured the fair values of its financial instruments; however, using different valuation models, evaluation methods and underlying assumptions may lead to different results. For financial instruments classified as having Level 3 fair value measurements, if the parameters were to go up 1%, the influence on net income or other comprehensive income would be as follows:

December 31, 2024

Item	Changes in Fair Value Reflected in Profit or Loss		Changes in Fair Value Reflected in Other Comprehensive Income	
	Favorable	Unfavorable	Favorable	Unfavorable
Assets				
Financial assets measured at FVTPL	$ 655	($ 655)	$ -	$ -
Financial assets measured at FVTOCI	-	-	29,019	(29,019)

December 31, 2023

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

40.3 Financial risk management

40.3.1 Risk management

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

The Group established written risk management policies and procedures that are considered and approved by the board of directors to identify, measure, monitor, and control the credit risk, market risk, operation risk and liquidity risk.

The Group's risk management department performs the Group's risk management activities pursuant to the policies approved by the board of directors. Risk management department works with other business departments in order to identify, evaluate, and avoid any financial risks. The board of directors formulates the written policies for risk management; the policy included specific exposures such as currency risk, interest rate risk, credit risk, derivative and non-derivative financial instruments. In addition, the department of internal audit is responsible for independent review of risk management and control environment.

40.3.2 Credit risks

Credit risk is the risk of counterparties' failure to fulfill their contractual obligations causing the Group's financial losses. Both in-balance-sheet and off-balance-sheet items are exposed to credit risks. For the Group's credit exposures, in-balance-sheet items mainly consisted of discounts and loans, credit card business, due from and call loans to banks, debt investments, and derivative instruments. Off-balance sheet items mainly consisted of financial guarantee, acceptances, letters of credit, loan commitments, and other services which also generate credit exposure.

To ensure that the credit risk is controlled within a tolerable range, the Group established an internal standard for credit risk. In that standard, all transactions are analyzed whether in the banking book or in the trading book, and either in-balance-sheet or off-balance-sheet, to identify the inherent and potential risks. The Group examines and confirms credit risk in accordance with the rules before launching new products and business. Furthermore, the Group also establishes a risk management system for complicated credit business such as factoring, credit derivative financial instruments and so on.

The Group's foreign operation units adopt policies and standards same as above to assess their asset quality and provision for contingent loss, and also include policies that comply with the regulations of the local financial supervisory commission.

(1) Procedures of credit risk management

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

A Credit business (including loan commitments and guarantees)

The Bank

a. The credit risk has increased significantly since initial recognition

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

i. Changes in internal and external credit ratings from the significant increase in credit risk.

ii. Information of overdue status (e.g. if the payment is overdue for more than 30 days).

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

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

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

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

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

i. Changes in internal and external credit ratings from the significant increase in credit risk.

ii. Information of overdue status (e.g. if the payment is overdue for more than 90 days).

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

iv. The debtor has died or been dissolved.

v. Contracts of other debt instruments of the debtor have defaulted.

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

vii. The debtor's creditor gives the borrower a concession that would not have been considered due to economic or contractual reasons related to the debtor's financial difficulties.

viii. There is a purchase or initiation of financial assets at a significant discount reflecting that credit losses have occurred.

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

c. Measurement of expected credit loss

For the objective of assessing expected credit loss, credit assets are classified according to the credit risk characteristics (such as the purpose of the borrowing, the nature of the industry, the type of collateral and the state of the borrowing) into two categories: corporate finance and personal finance. Further to this, the credit risk characteristics are divided according to each category.

The 12-month expected credit loss amounts of the Bank's financial instruments whose credit risk has not significantly increased since initial recognition are used to measure the allowance for loss of the financial instruments; for financial instruments whose credit risk has increased significantly or which have had credit impairment since initial recognition, such financial instruments are measured at the amount of full lifetime expected credit losses.

The estimation method and significant assumptions used to assess expected credit losses have not changed significantly since December 31, 2024.

d. Forward-looking information considerations

When measuring the expected credit losses, the Bank uses forward-looking economic factors that affect credit risk and takes such forward-looking information regarding expected credit losses into consideration. Based on professional economic judgment, the Bank uses statistical analysis results of GDP growth rate to provide forecast information of economic factors on a quarterly basis and re-evaluates such data on each financial reporting date.

SCB (HK)

a. The credit risk has increased significantly since initial recognition

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

i. Changes in internal and external credit ratings and probability of default in the next 12 months.

ii. Information of overdue status (e.g. if the payment is overdue for more than 30 days).

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

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

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

vi. There is doubt about the collateral rights under the debt, or the collateral price is affected by the surrounding economic environment, and the mortgage value will decline due to economic recession.

vii. There are unfavorable changes in the business of the debtor industry which are affected by the surrounding economy or policy.

viii. Key person in debt companies have financial difficulties, debt or dispute litigation, or serious illness or death, all of which have a negative impact on the ability of debt companies to meet their debt obligations.

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

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

i. Information of overdue status (e.g. if the payment is overdue for more than 90 days).

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

iii. The debtor has died or been dissolved.

iv. Contracts of other debt instruments of the debtor have defaulted.

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

vi. The debtor's creditor gives the borrower a concession that would not have been considered due to economic or contractual reasons related to the debtor's financial difficulties.

vii. The debtor's overall debt rises and is not proportional to its business growth.

viii. If the debtor invests in a project or delays the construction of a project, the cost exceeds the budget, and the creditor needs to arrange for debt restructuring.

ix. There is a purchase or initiation of financial assets at a significant discount reflecting that credit losses have occurred.

x. Estimated debt contract payments failed to be fully recovered.

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

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

c. Measurement of expected credit loss

For the objective of assessing expected credit loss, credit assets are classified according to the credit risk characteristics (such as the purpose of the borrowing, the nature of the industry, the type of collateral and the state of the borrowing) into two categories: Corporate finance and personal finance. Further to this, the credit risk characteristics are divided according to each category.

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

The estimation method and significant assumptions used to assess expected credit losses have not changed significantly since December 31, 2024.

d. Forward-looking information considerations

When measuring the expected credit losses, SCB uses forward-looking economic factors that affect credit risk and takes such forward-looking information regarding expected credit losses into consideration. Based on professional economic judgment, SCB uses the statistical analysis results of GDP growth rate to provide forecast information of economic factors on a quarterly basis and re-evaluates such data on each financial reporting date.

B. Due from and call loans to bank

The Group assesses the credit position of counterparties and consults a credit rating agency for credit rating information and sets limits to the credit facilities.

C. Debt investments and derivative financial instruments

For the credit risk management of debt investments, the Group identifies credit risk by using information from external institutions about credit ratings, quality of debts, region, and the risk of counterparties.

Most of the Group's counterparties in derivative transactions are assessed at higher than investment grade, and the Group controls the investments according to counterparties' facilities (including call loans); counterparties that do not have credit ratings or are not assessed at investment grade are reviewed case by case. Counterparties which are non-financial or non-banking clients are assessed according to the general procedures for the approval of credit facilities and control of credit exposure situations of the counterparties.

(2) Policies of credit risk hedging or mitigation

A. Collateral

The Group applies series of policies to decrease credit risks in its lending business. Among those policies is to request collateral from creditors. To secure the creditor's rights, the Group has established procedures for pledges, valuations, management, and disposals of collateral. The contracts between the Group and the borrowers clearly state the protocols, including but not limited to the security of credit, procedures for collateral and for offsets. To further decrease credit risks, the contracts also proclaim that the Group may decrease the credit facilities at its discretion, accelerate the maturity of the borrowings, demand immediate payback, or offset borrowers' assets in the Group against the borrowings.

B. Credit risk limitation and credit concentration management

The credit policies of the Group regulate the credit limitations, as applied to a single counterparty or group, to avoid excessive credit concentration. The Group further implements concentration policies, which monitor and manage the credit limitation and concentration in one single counterparty, different enterprises, related parties, industries, and countries. The policies are based on individual criteria in different categories including but not limited to industries, enterprises, and share-pledge related loans.

C. Other mechanisms for credit risk management

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

In most circumstances, the Group applies gross settlement with counterparties. However, to further decrease credit risks, the Group applies net settlement or even terminates transactions with certain counterparties when default may occur.

The table below analyzes the collateral held as security and other credit enhancements, and their financial effects in respect of the financial assets recognized in the Group's consolidated balance sheets:

December 31, 2024

	Book Value	Maximum Exposure to Credit Risk Mitigated by Collateral	Master Netting Arrangement	Other Credit Enhancement	Total
Financial instruments subject to IFRS 9 impairment requirements and credit impairment					
Receivables	$ 1,333,574	$ 281,781	$ -	$ -	$ 281,781
Discounts and loans	19,646,503	1,881,227	-	804,697	2,685,924

December 31, 2023

	Book Value	Maximum Exposure to Credit Risk Mitigated by Collateral	Master Netting Arrangement	Other Credit Enhancement	Total
Financial instruments subject to IFRS 9 impairment requirements and credit impairment					
Receivables	$ 493,671	$ 83,784	$ -	$ -	$ 83,784
Discounts and loans	18,095,360	4,702,474	-	696,618	5,399,092

(3) Credit risk exposures

The maximum exposure of the Group's assets in the consolidated balance sheets is equivalent to the book value, while the pledged assets and other credit instruments are not considered. The off-balance sheet items related to the maximum credit exposure (without considering collateral or other credit enhancements and irrevocable maximum exposure) are as follows:

	December 31, 2024	December 31, 2023
Other guarantees	$ 81,497,110	$ 81,905,609
Issued and non-cancelable loan commitments	40,210,298	53,413,665
Issued but unused letters of credit	35,130,621	33,873,125
Non-cancelable credit card commitments	586,880	601,495

The Group assessed that it could continually control and minimize credit risk exposure of off-balance sheet items because it adopts stricter procedures and regularly audits credit accounts.

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

	December 31, 2024			
	12-Month ECLs	Lifetime ECLs - Unimpaired	Lifetime ECLs - Impaired	Total
Discounts and loans				
Consumer banking				
-Mortgage	$ 337,832,776	$ 1,560,047	$ 1,011,017	$ 340,403,840
-Microcredit	23,458,068	199,893	1,226,071	24,884,032
-Others	47,063,175	164,594	855,671	48,083,440
Corporate banking				
-Secured	450,766,459	20,775,035	12,836,156	484,377,650
-Unsecured	309,717,666	27,561,304	3,717,588	340,996,558
Total	$ 1,168,838,144	$ 50,260,873	$ 19,646,503	$ 1,238,745,520
Accounts receivable (including non-performing credit card receivables)				
Credit cards	$ 3,816,315	$ 258,384	$ 73,865	$ 4,148,564
Others	19,857,223	95,955	1,259,709	21,212,887
Total	$ 23,673,538	$ 354,339	$ 1,333,574	$ 25,361,451
Debt instruments measured at FVTOCI	$ 432,033,122	$ 406,272	$ -	$ 432,439,394
Investments in debt instruments measured at amortized cost	$ 235,151,978	$ -	$ -	$ 235,151,978

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

(4) Information on concentration of credit risk

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

Concentration of credit risk can be on assets, liabilities or off-balance sheet items and can arise in the course of the enforcement and implementation of transactions (regardless of products or service) or in the combination of exposures across categories, including credit, due from and call loans to banks, marketable securities, receivables and derivatives, etc. The Group maintains a diversified loan portfolio to mitigate the credit risk concentration to same customers; total discounts and loans transactions with same customers and non-performing loans are not material. The Group’s most significant concentrations of credit risk of discounts and loans and non-performing loans by industry, region, and collateral were summarized as follows:

A. Industry

Sector	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%
Private sector	$ 726,087,738	59	$ 733,779,540	59
Consumer	453,777,954	36	449,791,296	36
Financial institution	51,020,491	4	55,368,356	4
Others	7,859,337	1	8,669,008	1
	$ 1,238,745,520	100	$ 1,247,608,200	100

B. Region

Region	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%
Taiwan	$ 788,810,986	64	$ 772,965,385	62
Asia Pacific except Taiwan	316,090,626	25	330,073,919	26
Others	133,843,908	11	144,568,896	12
	$ 1,238,745,520	100	$ 1,247,608,200	100

C. Collateral

Collaterals Assumed	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%
Unsecured	$ 339,906,786	27	$ 333,547,051	27
Secured				
Properties	794,984,935	64	800,385,330	64
Guarantee	56,909,172	4	64,391,553	5
Financial collateral	25,033,199	2	29,334,680	2
Personal properties	2,883,481	1	2,813,902	1
Other collateral	19,027,947	2	17,135,684	1
	$ 1,238,745,520	100	$ 1,247,608,200	100

(5) Information on credit risk quality

Part of the financial assets held by the Group, cash and cash equivalents, financial assets at fair value through profit or loss, investments in bills and bonds with resale agreements, guarantee deposits paid, security businesses, clearing and settlement funds, etc. are assessed to have very low credit risk because the counterparties have good credit ratings.

40.3.3 Market risk

(1) The sources and definition of market risk

Market risk is the risk resulting from changes in fair value and future cash flows of on- and off-balance-sheet financial instruments caused by changes in market prices, interest rates, foreign exchange rate, including equity securities price and commodity price. Changes in above risk elements can cause risks to shift the net profit of the Group or its investment structures.

The Group’s financial instruments are exposed to price, interest rate and foreign exchange rate risks. Major market price risk positions of equity securities include domestic listed shares and funds. Major interest risks include bonds and interest rate derivative instruments such as fixed and floating interest rate swap and bond options whereas the major foreign exchange risks include foreign currency positions held by the Group.

(2) Market risk management policies

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

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

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

(3) Market risk management process

A. Recognition and measurement

The Group's operation and risk management sections both identify market risk factors of exposure positions, which are used to measure market risks. Market risk factors include interest rates, foreign exchange rates and market price of equity securities, and exposures, gains and losses and sensitivity (PV01, Delta, Beta) etc. Measurement of investment portfolio is affected by interest rate risk, foreign exchange risk and price of equity securities.

B. Monitoring and reporting

The Group's risk management department regularly reviews market risk management objective, positions and control of gains and losses, sensitivity analysis and pressure test and reports to the board of directors. Therefore, the board of directors could well understand market risk control. The Group has established explicit notification process, the limit and stop-loss regulation for various transactions. Stop-loss order must be taken when the limit is reached, otherwise the trading department's reasons and plans must be approved by the management, and the department should report to relevant committee regularly.

(4) Interest rate risk management

A. Definition of interest rate risk

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

B. Purpose of interest risk management

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

C. Procedures of interest risk management

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

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

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

D. Measurement methods

The Group measures risks of price reset periods gap from difference in maturity date and price reset date of assets, liabilities, and off-balance sheet items. The Group also established interest rate sensitivity monitoring index for major periods in order to maintain long-term profitability and business growth. Such interest rate indexes and results of pressure test are reviewed by management personnel regularly. In addition, the Group regularly measures the impact of interest risk on its investment portfolio using DV01 and assesses the effects of interest rate changes on its earnings and economic value using IRRBB.

(5) Foreign exchange rate risk management

A. Definition of foreign exchange rate risk

Foreign exchange risk means losses resulting from currencies exchange at different times. The Group's foreign exchange rate risk results mainly from spot and forward foreign exchange. The Group's foreign exchange rate risk is relatively insignificant due to the fact that transactions are basically settled immediately on transaction date.

B. Policies, procedures and measurement method for foreign exchange rate risk management

In order to control foreign exchange rate risk within tolerable range, the Group has established trading limit, stop-loss limit and maximum loss for trading department and trader and the risk is controlled within the tolerable range.

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

(6) Equity securities price risk management

A. Definition of equity securities price risk

The market risk of equity securities held by the Group includes individual and general risk from price fluctuations of both individual equity security and the entire equity security market.

B. Purpose of equity security price risk management

The main purpose of equity security price risk management is to prevent financial status from deteriorating and to avoid decrease in earnings due to violent fluctuation in equity security prices, and to enhance capital efficiency and strengthen operation.

C. Procedures of equity security price risk management

The Group regularly uses β value to measure the degree of influence on investment portfolio system risk. Stop-loss point is set according to the policy approved by the assets and liabilities management committee. Stop-loss action must be taken when limit is reached, otherwise the investment department must submit request to top management personnel for approval.

D. Measurement method

The Group's control of security price risk is based on risk values.

(7) Market valuation technique

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

A. Sensitivity analysis

a. Interest rate risk

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

b. Foreign exchange rate risk

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

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

c. Equity securities price risk

The Group has assessed the possible impact on income when equity security prices on December 31, 2024 and 2023 rise or fall by 1% while other factors remain unchanged.

The analysis assumed that the trends of equity instruments are consistent with historical data.

B. Sensitivity analysis is summarized as follows:

December 31, 2024			
Major Risk	Fluctuation Range	Amount	
		Equity	Profit or Loss
Foreign exchange risk	Foreign currency appreciated 1% against the NTD	$ 928,756	($ 21,390)
	Foreign currency depreciated 1% against NTD	(928,756)	21,390
Interest rate risk	Interest rate curve edged up 1bp	(87,504)	6,878
	Interest rate curve edged down 1bp	87,504	(6,878)
Equity price risk	Equity price increased 1%	415,003	1,501
	Equity price decreased 1%	(415,003)	(1,501)

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

40.3.4 Liquidity risk

(1) The sources and definition of liquidity risk

Liquidity risk is the possibility that the Group is unable to liquidate assets or obtain financing to fulfill matured financial liabilities which may result in financial loss. Liquidity risk may be present when, for example, deposits are withdrawn in advance of the original date of settlement, the market becomes worse and borrowing from other banks becomes difficult, the clients' credit deteriorates leading to the occurrence of defaults, liquidation of financial instruments becomes difficult, early redemption of interest-sensitive instruments happens, etc. The aforementioned factors may reduce cash balance to be used in the areas of loans, trading, and investment. In some extreme circumstances, the lack of liquidity may lead to the decrease in the overall assets and liabilities, and the need to liquidate the Group's assets and the possibility of being unable to fulfill loan commitments. Liquidity risks include inherent risks that may be affected by some specific industry events or overall market condition. These events include but are not limited to credit, merger and acquisitions, systemic breakdown and natural disasters.

(2) The management policies are as follows:

The management procedures are monitored by the independent department of risk management; the procedures are as follows:

A. Regular financing and monitoring of cash flows to ensure the fulfillment of the requirements in the future.

B. Maintaining appropriate position of high liquidity assets which are easily realizable.

C. Monitoring of liquidity ratios of the balance sheet accounts according to the internal management purposes and external monitoring rules.

D. Managing the maturity date of debt instruments.

The procedures for monitoring and reporting liquidity risk are applied and measured based on the estimated cash flows (the time gap is based on how the Group manages the liquidity risk) of 1 day, 10 days, and 1 month. Estimates of future cash flows are based on the maturity analysis of financial assets and liabilities. The risk management department also monitors the use of loan commitment, discount facilities, guarantee letters, and other types of contingent liabilities, and furthermore reports the related information to the risk management committee and the board of directors regularly.

The Group holds certain position of highly liquid interest-bearing assets to fulfill its obligation and for future needs. To manage the liquidity risk, the Group holds the following assets: Cash and cash equivalents, due from the Central Bank and banks, and financial assets at fair value through profit or loss, etc.

(3) Maturity analysis

The Group analyzed cash outflows of non-derivative financial liabilities according to the remaining terms from date of the balance sheets to maturity date of the contract. The disclosure of cash outflows of non-derivative financial liabilities is based on the cash flows of contracts so that the items could not correspond with all items in the consolidated balance sheets.

December 31, 2024	0~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Due to the central bank and banks	$ 29,805,776	$ 6,704,283	$ 3,121,236	$ 1,915,760	$ 3,049,971	$ 44,597,026
Financial liabilities measured at FVTPL	-	-	-	-	2,431,170	2,431,170
Securities sold under repurchase agreements	4,421,134	287,865	74,154	-	-	4,783,153
Payables	33,284,674	927,227	674,415	712,767	833,086	36,432,169
Deposits and remittances	1,037,404,157	487,940,448	205,416,668	299,656,688	15,802,079	2,046,220,040
Bank debentures	-	365,813	-	1,365,813	57,860,361	59,591,987
Other financial liabilities	8,744,284	67,298	71,727	136,355	961,446	9,981,110
Lease liabilities	41,053	80,862	146,018	221,857	1,388,669	1,878,459

December 31, 2023	0~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Due to the central bank and banks	$ 25,682,447	$ 6,320,861	$ 1,072,906	$ 1,658,677	$ 6,006,430	$ 40,741,321
Financial liabilities measured at FVTPL	-	-	-	-	2,182,131	2,182,131
Securities sold under repurchase agreements	171,489	343,996	75,804	-	-	591,289
Payables	34,576,023	1,374,232	809,649	775,356	638,953	38,174,213
Deposits and remittances	1,069,675,652	399,978,575	213,964,079	288,463,943	14,009,598	1,986,091,847
Bank debentures	9,407,313	5,442,552	3,000,000	7,472,839	52,561,191	77,883,895
Other financial liabilities	6,623,741	86,329	77,038	130,953	621,975	7,540,036
Lease liabilities	42,360	67,293	97,995	193,102	1,473,255	1,874,005

The Group evaluated the contractual maturity date to comprehend all derivative financial instruments on the consolidated balance sheets. Because the maturity analysis of derivative financial liabilities is based on the contractual cash flows, the amounts would not correspond with related items on the consolidated balance sheets. Maturity analysis of derivative financial liabilities is as follows:

A. Derivative financial liabilities in net settlement

December 31, 2024	0~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Derivative financial liabilities measured at FVTPL						
Foreign exchange derivatives	$ 32,353	$ 11,129	$ 7,044	$ 54,773	$ -	$ 105,299
Interest rate derivatives	232	136	973	425	463,080	464,846

December 31, 2023	0~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Derivative financial liabilities measured at FVTPL						
Foreign exchange derivatives	$ 31,952	$ 6,219	$ 1,520	$ 18,151	$ 5,183	$ 63,025
Interest rate derivatives	2,981	2,726	3,067	3,022	167,908	179,704

B. Derivative financial liabilities in total settlement

December 31, 2024	0~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Derivative financial liabilities measured at FVTPL						
Foreign exchange derivatives						
Cash inflow	$ 193,649,118	$ 142,346,847	$ 61,950,972	$ 46,640,207	$ 2,123,848	$ 446,710,992
Cash outflow	193,283,376	141,479,211	62,232,079	46,737,264	2,131,349	445,863,279

December 31, 2023	0~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Derivative financial liabilities measured at FVTPL						
Foreign exchange derivatives						
Cash inflow	$ 244,653,501	$ 210,428,056	$ 111,871,999	$ 13,473,039	$ 610,461	$ 581,037,056
Cash outflow	245,949,321	212,204,080	112,483,851	13,492,973	614,100	584,744,325

The analysis of cash outflows of in-balance-sheet items is illustrated according to the remaining days from the balance sheet date to maturity date of the contract. For financial guarantee contracts, the largest amount is categorized under the earliest possible date to take responsibility. The disclosure of cash outflows of off-balance sheet items is based on the cash flows of contracts so that part items could not correspond with all items in the balance sheet.

December 31, 2024	0~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Other guarantees	$ 27,550,956	$ 12,730,623	$ 7,765,090	$ 14,783,660	$ 18,666,781	$ 81,497,110
Non-cancelable loan commitments	11,069,717	115,577	1,270,333	2,473,789	25,280,882	40,210,298
Issued but unused letters of credit	30,754,719	3,743,786	234,379	186,395	211,342	35,130,621
Non-cancelable credit card commitments	87,973	175,947	263,920	59,040	-	586,880

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

40.4 Transfer of financial assets

In the daily transactions of the Group, most of the transferred financial assets not eligible for full derecognition are repurchase notes and bonds. The cash flows of the transactions have been transferred to outsiders and the liabilities for repurchasing the transferred financial assets in a fixed amount have been recognized; the Group may repurchase the transferred financial assets in the future. The Group is not eligible to conduct, sell, or pledge the transferred financial assets during the effective period prior to derecognition. However, the Group is still exposed to the interest risks and credit risks. As a result, the transferred financial assets are not derecognized. The following tables show the transferred financial assets that are not qualified for derecognition and related financial liabilities.

December 31, 2024					
Type of Financial Assets	The Book Value of Financial Assets Transferred	The Book Value of Related Financial Liabilities	The Fair Value of Financial Assets Transferred	The Fair Value of Related Financial Liabilities	Net Amount
Financial assets measured at FVTOCI					
Securities sold under repurchase agreements	$ 4,778,000	$ 4,783,153	$ 4,778,000	$ 4,783,153	$ 5,153
December 31, 2023					
Type of Financial Assets	The Book Value of Financial Assets Transferred	The Book Value of Related Financial Liabilities	The Fair Value of Financial Assets Transferred	The Fair Value of Related Financial Liabilities	Net Amount
Financial assets measured at FVTOCI					
Securities sold under repurchase agreements	$ 584,500	$ 591,289	$ 584,500	$ 591,289	($ 6,789)

41. AVERAGE AMOUNT AND AVERAGE INTEREST RATE OF INTEREST-EARNING ASSETS AND INTEREST-BEARING LIABILITIES

Average amount and average interest rate of interest-earning assets and interest-bearing liabilities that were affected by interest rate fluctuations are as follows:

Average balances were calculated by the daily average balances of interest-earning assets and interest-bearing liabilities.

41.1 The Bank

	For the Year Ended December 31, 2024	
	Average Balance	Average Rate (%)
Interest-bearing assets		
Cash and cash equivalents - due from other banks	$ 15,263,261	1.09
Due from the Central Bank and call loans to banks	85,312,134	2.58
Securities purchased under resell agreements	10,494,521	1.41
Credit card revolving balances	688,446	11.57
Discounts and loans (excluding non-performing loans)	879,738,623	3.09
Financial assets measured at FVTPL	696,795	3.00
Financial assets measured at FVTOCI - investments in debt instruments	225,189,717	3.39
Investments in debt instruments measured at amortized cost	197,202,183	1.38
Interest-bearing liabilities		
Due to the central bank and banks	15,170,867	3.65
Financial liabilities measured at FVTPL	2,716,815	6.18
Securities sold under repurchase agreements	3,983,639	1.09
Negotiable certificates of deposit	62,053,641	1.64
Demand deposits	280,954,068	0.76
Savings deposits	206,883,459	0.83
Time deposits	449,286,370	2.42
Time savings	252,928,497	1.66
Bank debentures	52,480,349	1.36
Other financial liabilities	6,509,895	4.54
Lease liabilities	765,923	1.10

	For the Year Ended December 31, 2023	
	Average Balance	Average Rate (%)
Interest-bearing assets		
Cash and cash equivalents - due from other banks	$ 17,690,276	0.78
Due from the Central Bank and call loans to banks	96,947,500	2.87
Securities purchased under resell agreements	1,729,006	1.17
Credit card revolving balances	603,618	12.15
Discounts and loans (excluding non-performing loans)	868,179,512	3.03
Financial assets measured at FVTOCI - investments in debt instruments	212,984,811	2.93
Investments in debt instruments measured at amortized cost	216,407,383	1.20
Interest-bearing liabilities		
Due to the central bank and banks	16,117,011	3.43
Financial liabilities measured at FVTPL	2,211,260	6.60
Securities sold under repurchase agreements	671,213	0.87
Negotiable certificates of deposit	65,408,930	1.45
Demand deposits	301,528,467	0.73
Savings deposits	206,455,272	0.75
Time deposits	460,743,796	2.06
Time savings	207,698,203	1.50
Bank debentures	56,482,875	1.35
Other financial liabilities	4,380,549	3.33
Lease liabilities	796,931	0.95

41.2 SCB (HK)

	For the Year Ended December 31, 2024	
	Average Balance	Average Rate (%)
Interest-bearing assets		
Due from other banks	$ 347,523,470	4.26
Discounts and loans (excluding non-performing loans)	351,483,881	6.24
Credit card revolving balances	126,431	28.91
Debt instruments (including investments in debt instruments measured at FVTOCI and amortized cost)	207,029,247	3.35
Interest-bearing liabilities		
Due to banks	21,205,950	3.76
Demand deposits	207,651,964	0.33
Time deposits	550,491,312	4.21
Bank debentures	11,844,534	6.58

	For the Year Ended December 31, 2023	
	Average Balance	Average Rate (%)
Interest-bearing assets		
Due from other banks	$ 289,347,768	4.05
Discounts and loans (excluding non-performing loans)	369,066,381	6.30
Credit card revolving balances	109,710	29.19
Debt instruments (including investments in debt instruments measured at FVTOCI and amortized cost)	186,976,392	2.20
Interest-bearing liabilities		
Due to banks	26,279,101	4.00
Demand deposits	217,650,038	0.32
Time deposits	476,474,432	4.00
Bank debentures	18,301,424	5.93

42. CAPITAL MANAGEMENT

All the Group's risks were included in the scope of assessment of capital adequacy according to "Regulations Governing the Capital Adequacy". The business objectives and project budget are approved by the board of directors, and furthermore the Bank considered the development strategy, capital adequacy, debt ratio, and dividend policy in its assessments. The contents are included in stress test, estimate of capital adequacy ratio to ensure achieving the objective of capital adequacy and strengthening of the capital structure.

The Banking Act and related measures stipulate that in order to improve the financial foundation of a bank, the ratio of the Group's own capital to the risky assets shall not be less than 10.50%, where the actual ratio is lower than the prescribed standard, the authorities may impose limit on its capital surplus distribution.

The Group conformed to the regulation on capital management as of December 31, 2024 and 2023.

The following table lists the equity capital, risk-weighted assets, and risk exposure:

	December 31, 2024	December 31, 2023
Analysis items		
Eligible capital		
Common equity	$ 216,125,558	$ 191,808,588
Other Tier I capital	11,778,137	11,858,517
Tier II capital	37,142,453	45,669,025
Eligible capital	$ 265,046,148	$ 249,336,130
Risk-weighted assets		
Credit risk		
Standardized approach	$ 1,383,947,050	$ 1,388,416,546
Credit valuation adjustment (CVA)	3,257,486	480,559
Internal rating based approach	N/A	N/A
Synthetic securitization	585,188	1,161,460
Operational risk		
Basic indicator approach	84,669,937	77,354,590
Standardized approach/ alternative standardized approach	N/A	N/A
Advanced measurement approach	N/A	N/A
Market risk		
Standardized approach	89,552,971	69,433,996
Internal models approach	N/A	N/A
Total risk-weighted assets	$ 1,562,012,632	$ 1,536,847,151
Capital adequacy ratio	16.97%	16.22%
Ratio of common equity to risk-weighted assets	13.84%	12.48%
Ratio of Tier I capital to risk-weighted assets	14.59%	13.25%
Leverage ratio	8.67%	7.94%

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

43.1 Assets quality: As stated in Table 1

43.2 Concentration of credit extensions

Top 10 credit extensions information of the Bank and SCB(HK) were as below:

Ranking (Note 1)	December 31, 2024					
	The Bank			SCB (HK)		
	Group Name (Note 2)	Credit Extension Balance (Note 3)	% of Net Asset Value	Group Name (Note 2)	Credit Extension Balance (Note 3)	% of Net Asset Value (Note 4)
1	A Group (retail sale of electric and communications equipment)	10,609,309	5.36%	O Group (hotel property development)	13,425,395	8.29%
2	B Group (general management agency)	8,145,220	4.11%	P Group (hotel property development)	11,285,083	6.97%
3	C Group (general management agency)	7,507,925	3.79%	Q Group (property development)	8,501,816	5.25%
4	D Group (computer manufacturing)	6,674,387	3.37%	R Group (hotel property development)	7,348,459	4.54%
5	E Group (real estate development)	5,899,702	2.98%	S Group (broadcasting and entertainment industry)	6,715,580	4.15%
6	F Group (electric power supply)	5,272,437	2.66%	T Group (property investment and development)	6,575,798	4.06%
7	G Group (financial leasing)	4,507,372	2.28%	U Group (property development)	6,521,851	4.03%
8	H Group (wiring and cable system manufacturing)	4,280,715	2.16%	V Group (conglomerate company)	6,266,125	3.87%
9	I Group (computer manufacturing)	4,190,660	2.12%	W Group (property investment and development)	6,115,374	3.78%
10	J Group (real estate development)	3,895,000	1.97%	X Group (investment holding)	5,981,877	3.69%

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

Note 1: The top 10 credit extensions ranking is made by total credit balance, which excluded government-owned or state-run enterprises. If the borrower is an affiliate of the Group enterprise, the credit balance of the borrower is then aggregated to the Group enterprise's credit

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

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

Note 3: Credit balance includes each item of loan (including import bill negotiated, export bill negotiated, discounts, overdrafts, short-term loans, short-term secured loans, marginal receivables, medium-term loans, medium-term secured loans, long-term loans, long-term secured loans and non-performing loans), exchange bills negotiated, accounts receivable - without recourse factoring, acceptances receivable and guarantees issued.

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

43.3 Interest rate sensitivity information

43.3.1 The Bank

Interest Rate Sensitivity (NTD)

December 31, 2024

Item	1~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Interest rate sensitive assets	$ 950,038,912	$ 44,785,769	$ 7,543,042	$ 67,167,090	$ 1,069,534,813
Interest rate sensitive liabilities	207,488,958	497,525,190	247,455,775	55,601,032	1,008,070,955
Interest rate sensitivity gap	742,549,954	(452,739,421)	(239,912,733)	11,566,058	61,463,858
Net equity					197,928,663
Ratio of interest rate sensitive assets to liabilities					106.10%
Ratio of interest rate sensitivity gap to net equity					31.05%

December 31, 2023

Item	1~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Interest rate sensitive assets	$ 936,648,688	$ 41,749,403	$ 16,468,885	$ 72,444,595	$ 1,067,311,571
Interest rate sensitive liabilities	232,743,576	475,781,953	240,935,963	51,824,097	1,001,285,589
Interest rate sensitivity gap	703,905,112	(434,032,550)	(224,467,078)	20,620,498	66,025,982
Net equity					183,317,044
Ratio of interest rate sensitive assets to liabilities					106.59%
Ratio of interest rate sensitivity gap to net equity					36.02%

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

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

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

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

Interest Rate Sensitivity (USD)

December 31, 2024

Item	1~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Interest rate sensitive assets	$ 8,366,694	$ 87,857	$ -	$ -	$ 8,454,551
Interest rate sensitive liabilities	3,932,382	3,444,223	708,203	152,882	8,237,690
Interest rate sensitivity gap	4,434,312	(3,356,366)	(708,203)	(152,882)	216,861
Net equity					6,063,251
Ratio of interest rate sensitive assets to liabilities					102.63%
Ratio of interest rate sensitivity gap to net equity					3.58%

December 31, 2023

Item	1~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Interest rate sensitive assets	$ 7,870,158	$ 132,032	$ -	$ -	$ 8,002,190
Interest rate sensitive liabilities	3,419,212	4,092,541	533,186	90,294	8,135,233
Interest rate sensitivity gap	4,450,946	(3,960,509)	(533,186)	(90,294)	(133,043)
Net equity					5,970,267
Ratio of interest rate sensitive assets to liabilities					98.36%
Ratio of interest rate sensitivity gap to net equity					(2.23%)

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

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

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

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

43.3.2 SCB (HK)

Interest Rate Sensitivity (USD)

December 31, 2024

Item	1~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Interest rate sensitive assets	$ 7,096,655	$ 643,183	$ 478,680	$ 1,968,055	$ 10,186,573
Interest rate sensitive liabilities	7,354,557	886,581	468,477	514,768	9,224,383
Interest rate sensitivity gap	(257,902)	(243,398)	10,203	1,453,287	962,190
Net equity					4,951,881
Ratio of interest rate sensitive assets to liabilities					110.43%
Ratio of interest rate sensitivity gap to net equity					19.43%

December 31, 2023

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

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

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

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

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

43.4 Profitability

The Group

Unit: %

Items		December 31, 2024	December 31, 2023
Return on total assets	Before income tax	0.69	0.89
	After income tax	0.59	0.73
Return on equity	Before income tax	6.63	9.05
	After income tax	5.66	7.43
Profit margin		28.09	35.34

Note 1: Return on total assets = Income before (after) income tax ÷ Average total assets.

Note 2: Return on equity = Income before (after) income tax ÷ Average equity.

Note 3: Profit margin = Income after income tax ÷ Total net revenue.

Note 4: Income before (after) income tax represents income YTD.

43.5 Maturity analysis of assets and liabilities

43.5.1 The Bank

(1) In Thousands of New Taiwan Dollars

December 31, 2024

	Total	For remaining period to maturity date					
		0~10 days	11~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year
Major cash inflow on maturity	$ 1,158,308,026	$ 194,906,722	$ 75,872,963	$ 64,806,151	$ 78,605,971	$ 116,816,862	$ 627,299,357
Major cash outflow on maturity	1,471,648,619	34,001,103	51,864,437	190,920,187	198,082,293	369,928,617	626,851,982
Gap	(313,340,593)	160,905,619	24,008,526	(126,114,036)	(119,476,322)	(253,111,755)	447,375

December 31, 2023

	Total	For remaining period to maturity date					
		0~10 days	11~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year
Major cash inflow on maturity	$ 1,146,475,725	$ 197,814,636	$ 87,870,128	$ 48,844,504	$ 79,772,132	$ 130,994,654	$ 601,179,671
Major cash outflow on maturity	1,485,744,011	59,584,976	102,784,539	223,495,973	260,424,468	314,524,600	524,929,455
Gap	(339,268,286)	138,229,660	(14,914,411)	(174,651,469)	(180,652,336)	(183,529,946)	76,250,216

Note: This table includes only financial assets/liabilities denominated in the NTD dollars.

(2) In Thousands of US dollars

December 31, 2024

	Total	For remaining period to maturity date				
		0~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year
Major cash inflow on maturity	$ 12,554,136	$ 1,683,776	$ 1,029,325	$ 837,965	$ 652,254	$ 8,350,816
Major cash outflow on maturity	13,002,410	3,085,667	3,085,941	2,085,109	3,212,888	1,532,805
Gap	(448,274)	(1,401,891)	(2,056,616)	(1,247,144)	(2,560,634)	6,818,011

December 31, 2023

	Total	For remaining period to maturity date				
		0~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year
Major cash inflow on maturity	$ 12,596,426	$ 2,086,359	$ 1,058,988	$ 781,034	$ 699,397	$ 7,970,648
Major cash outflow on maturity	14,461,735	2,799,344	2,512,152	2,016,397	2,193,700	4,940,142
Gap	(1,865,309)	(712,985)	(1,453,164)	(1,235,363)	(1,494,303)	3,030,506

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

43.5.2 SCB (HK)

In Thousands of US dollars

December 31, 2024

	Total	For remaining period to maturity date				
		0~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year
Major cash inflow on maturity	$ 10,213,542	$ 2,860,644	$ 1,780,335	$ 934,574	$ 780,386	$ 3,857,603
Major cash outflow on maturity	9,294,618	4,482,369	3,575,325	650,742	239,070	347,112
Gap	918,924	(1,621,725)	(1,794,990)	283,832	541,316	3,510,491

December 31, 2023

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

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

44. THE CONTENTS AND AMOUNTS OF TRUST ACTIVITIES BY PROCESSING TRUST ENTERPRISE ACT

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

Balance Sheet of Trust Account

	December 31, 2024	December 31, 2023		December 31, 2024	December 31, 2023
Trust Assets			**Trust Liabilities**		
Bank deposit	$ 9,398,671	$ 7,291,392	Accounts payable	$ 153	$ 136
Short-term investments	113,616,213	102,850,714	Depository of security payable	64,659,295	54,771,849
Net asset value of collective investment trust fund	6,547,258	6,567,315	Trust capital	174,496,334	155,140,589
Accounts receivable	8,478	15,357	Accumulated (loss) gain and equity	46,650	(201,890)
Land	32,279,034	28,683,633			
Buildings and improvement, net	121,789	78,662			
Construction in progress	12,509,453	9,391,294			
Securities in custody	64,659,295	54,771,849			
Other assets	62,241	60,468			
Total trust assets	$ 239,202,432	$ 209,710,684	Total trust Liabilities	$ 239,202,432	$ 209,710,684

Trust Asset Lists

Item	December 31, 2024	December 31, 2023
Cash in banks	$ 9,398,671	$ 7,291,392
Short-term investment		
Funds	66,488,927	65,398,463
Bonds	37,425,076	29,830,664
Common stocks	4,443,794	4,271,864
Structured instruments	5,087,736	3,150,933
Preferred stock	170,680	198,790
Net asset value of collective trust accounts	6,547,258	6,567,315
Receivables	8,478	15,357
Land	32,279,034	28,683,633
Buildings and improvement, net	121,789	78,662
Construction in progress	12,509,453	9,391,294
Depository of securities	64,659,295	54,771,849
Other assets - principal deferred expense	62,241	60,468
Total	$ 239,202,432	$ 209,710,684

Income Statements of Trust Account

	For the Year Ended December 31	
	2024	2023
Trust income		
Dividend income	$ 70,183	$ 75,366
Interest income	74,043	52,804
Donation income	299	955
Realized investment gains	33,806	17,913
Unrealized investment gains	317,003	209,562
Other revenue	25,560	56,235
	$ 520,894	$ 412,835
Trust expenses		
Tax expenditures	$ 16,765	$ 14,491
Management expenses	8,863	11,305
Service expenses	1,250	2,311
Realized investment losses	47	159,176
Unrealized investment losses	376,086	452,614
Donation expenses	585	1,676
Other expenses	2,918	2,486
	406,514	644,059
Income (loss) before income tax	114,380	(231,224)
Income tax expense	(39)	(14)
Net income (loss)	$ 114,341	($ 231,238)

45. EXCHANGE RATE INFORMATION OF FOREIGN FINANCIAL ASSETS AND LIABILITIES

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

45.1 The Bank

	December 31, 2024			December 31, 2023		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars	Foreign Currencies	Exchange Rate	New Taiwan Dollars
Financial assets						
Cash and cash equivalents						
JPY	$ 21,229,026	0.2099	$ 4,455,973	$ 27,630,882	0.2170	$ 5,995,901
USD	94,685	32.7900	3,104,721	96,822	30.7050	2,972,920
CNY	442,332	4.4790	1,981,205	949,383	4.3280	4,108,930
Due from the Central Bank and call loans to banks						
USD	777,084	32.7900	25,480,584	966,684	30.7050	29,682,032
CNY	896,950	4.4790	4,017,439	441,400	4.3280	1,910,379
EUR	54,710	34.1300	1,867,252	24,710	34.0181	840,587
Receivables						
USD	47,318	32.7900	1,551,557	48,473	30.7050	1,488,363
JPY	3,321,376	0.2099	697,157	957,279	0.2170	207,730
EUR	2,792	34.1300	95,291	16,212	34.0181	551,501
Discounts and loans						
USD	3,554,727	32.7900	116,559,498	3,305,698	30.7050	101,501,457
CNY	2,763,883	4.4790	12,379,432	3,310,419	4.3280	14,327,493
JPY	23,335,680	0.2099	4,898,159	100,070,792	0.2170	2,185,362
Financial assets at FVTOCI						
USD	3,719,363	32.7900	121,957,913	3,138,985	30.7050	96,382,534
AUD	580,549	20.3800	11,831,589	895,261	21.0084	18,808,001
JPY	17,746,328	0.2099	3,724,954	12,163,954	0.2170	2,639,578
Financial assets measured at amortized cost						
USD	208,452	32.7900	6,835,141	501,504	30.7050	15,398,680
AUD	180,000	20.3800	3,668,400	203,000	21.0084	4,264,705
SGD	39,803	24.1200	960,048	60,028	23.3020	1,398,772
Financial assets at FVTPL						
USD	28,703	32.7900	941,171	13,183	30.7050	404,784
JPY	1,356,585	0.2099	284,747	83,997	0.2170	18,227
HKD	42,018	4.2235	177,463	63	3.9294	248
Equity investments under the equity method						
USD	3,010,678	32.7900	98,720,132	2,832,580	30.7050	86,974,369
HKD	110,218	4.2235	465,504	101,299	3.9294	398,043
Financial liabilities						
Payables						
USD	82,220	32.7900	2,695,994	85,299	30.7050	2,619,106
JPY	924,017	0.2099	193,951	929,842	0.2170	201,776
EUR	2,405	34.1300	82,083	16,635	34.0181	565,891
Deposits from the central bank and other banks						
USD	350,052	32.7900	11,478,205	181,350	30.7050	5,568,352
VND	2,084,000,000	0.0013	2,678,565	2,612,000,000	0.0013	3,395,600
CNY	344,966	4.4790	1,545,103	493,870	4.3280	2,137,469
Deposits and remittances						
USD	7,721,088	32.7900	253,174,476	7,869,931	30.7050	241,646,231
JPY	140,024,171	0.2099	29,391,073	166,681,313	0.2170	36,169,845
CNY	3,825,535	4.4790	17,134,571	4,692,992	4.3280	20,311,269
Financial liabilities at FVTPL						
USD	93,675	32.7900	3,071,603	85,597	30.7050	2,628,256
HKD	1,380	4.2235	5,828	1,316	3.9294	5,171
EUR	112	34.1300	3,823	28	34.0181	953

45.2 SCB (HK)

	December 31, 2024			December 31, 2023		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars	Foreign Currencies	Exchange Rate	New Taiwan Dollars
Financial assets						
Cash and cash equivalents						
CNY	$ 734,533	4.4790	$ 3,289,973	$ 1,846,094	4.3280	$ 7,989,895
JPY	4,263,240	0.2099	894,854	9,636,225	0.2170	2,091,061
Due from the Central Bank and call loans to banks						
USD	3,601,594	32.7900	118,096,267	3,117,544	30.7050	95,724,189
CNY	5,881,190	4.4790	26,341,850	4,284,208	4.3280	18,542,052
Receivables						
USD	41,838	32.7900	1,371,868	66,976	30.7050	2,056,498
CNY	9,781	4.4790	43,809	12,892	4.3280	55,797
Discounts and loans						
USD	3,205,673	32.7900	105,114,018	3,903,662	30.7050	119,861,942
CNY	3,940,043	4.4790	17,647,453	5,279,312	4.3280	22,848,862
GBP	361,209	41.1600	14,867,362	471,820	39.1090	18,452,408
Financial liabilities						
Payables						
USD	14,261	32.7900	467,618	17,701	30.7050	543,509
CNY	5,556	4.4790	24,885	9,244	4.3280	40,008
Deposits from the central bank and other banks						
USD	318,564	32.7900	10,445,714	336,382	30.7050	10,328,609
CNY	1,425,381	4.4790	6,384,281	1,490,163	4.3280	6,449,425
GBP	26,556	41.1600	1,093,045	1,241	39.1090	48,534
Deposits and remittances						
USD	8,545,108	32.7900	280,194,091	7,961,036	30.7050	244,443,610
CNY	9,931,061	4.4790	44,481,222	12,248,287	4.3280	53,010,586

46. ADDITIONAL DISCLOSURES

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

46.1.1 Financing provided: Table 2.

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

46.1.3 Marketable securities held: Table 3.

46.1.4 Marketable securities (for investees) or investee investment (for the Bank) acquired and disposed of, at costs or prices of at least NT$300 million or 10% of the issued capital: The Bank - none; investees - not applicable or none.

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

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

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

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

46.1.9 Sale of non-performing loans: Table 5.

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

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

46.1.12 Names, locations, and other information of investees on which the Bank exercises significant influence: Table 6.

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

46.3 Investments in Mainland China:

46.3.1 Name of the investees in Mainland China, main businesses and products, paid-in capital, method of investment, information on inflow or outflow of capital, percentage of ownership, investment income or loss, ending balance of investment, dividends remitted by the investee, and the limit of investment in Mainland China: Table 7.

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

46.4 Significant transactions and the amount among the parent and its subsidiaries: Table 8.

46.5 Information of major shareholders:

list all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 9.

47. SEGMENT INFORMATION

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

The Group provides income before tax of each operating segment to the chief operating decision maker as the basis of resource allocation and assessment of segment performance. The Group did not periodically provide information on all assets of each operating segment to the chief operating decision maker, thus the amount of assets was zero.

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

The operating segments information is as follows:

	For the Year Ended December 31, 2024				
	Taiwan	Hong Kong	Others	Other Adjustments	Total
Net interest income	$ 19,029,637	$ 17,726,298	$ 1,949,916	$ 1	$ 38,705,852
Non-interest income	7,017,190	5,363,941	332,695	(15,703)	12,698,123
Net revenue	26,046,827	23,090,239	2,282,611	(15,702)	51,403,975
Provisions for bad-debt expense, commitment and guarantee liability	(2,605,898)	(12,126,767)	(444,698)	-	(15,177,363)
Operating expenses	(9,832,020)	(7,750,847)	(1,710,145)	(5,942)	(19,298,954)
Profit before income tax	$ 13,608,909	$ 3,212,625	$ 127,768	($ 21,644)	$ 16,927,658

	For the Year Ended December 31, 2023				
	Taiwan	Hong Kong	Others	Other Adjustments	Total
Net interest income	$ 19,775,346	$ 17,264,457	$ 2,111,769	$ 2	$ 39,151,574
Non-interest income	4,679,852	5,038,437	456,328	(14,990)	10,159,627
Net revenue	24,455,198	22,302,894	2,568,097	(14,988)	49,311,201
Provisions for bad-debt expense, commitment and guarantee liability	(2,700,000)	(6,522,886)	(659,727)	-	(9,882,613)
Operating expenses	(9,225,283)	(7,284,244)	(1,657,961)	(32,296)	(18,199,784)
Profit before income tax	$ 12,529,915	$ 8,495,764	$ 250,409	($ 47,284)	$ 21,228,804

Main operating clients

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

TABLE 1

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

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

Date			December 31, 2024					December 31, 2023				
Business			Overdue Loans (Note 1)	Loans	NPL Ratio (%) (Note 2)	Loan Loss Reserve(LLR)	Coverage Ratio (Note 3)	Overdue Loans (Note 1)	Loans	NPL Ratio (%) (Note 2)	Loan Loss Reserve(LLR)	Coverage Ratio (Note 3)
Corporate banking	Secured		$ 1,266,590	$ 298,278,932	0.42	$ 3,404,233	268.77	$ 925,095	$ 306,015,018	0.30	$ 5,227,854	565.12
	Unsecured		182,754	245,978,450	0.07	2,520,594	1,379.23	139,203	227,288,694	0.06	2,599,071	1,867.11
Consumer banking	Mortgage (Note 4)		667,686	314,694,197	0.21	4,939,240	739.75	342,306	306,812,936	0.11	5,402,582	1,578.29
	Cash cards		-	-	-	-	-	-	-	-	-	-
	Microcredit (Note 5)		14,735	3,439,961	0.43	39,302	266.73	7,036	4,267,867	0.16	59,164	840.88
	Others (Note 6)	Secured	124,000	36,294,913	0.34	404,209	325.98	46,330	35,408,267	0.13	462,645	998.59
		Unsecured	-	-	-	-	-	-	-	-	-	-
Total			2,255,765	898,686,453	0.25	11,307,578	501.27	1,459,970	879,792,782	0.17	13,751,316	941.89
			Overdue Loans (Note 1)	Accounts Receivable	Delinquency Ratio (%) (Note 2)	Allowance for Credit Losses	Coverage Ratio (Note 3)	Overdue Loans (Note 1)	Accounts Receivable	Delinquency Ratio (%) (Note 2)	Allowance for Credit Losses	Coverage Ratio (Note 3)
Credit cards			9,313	3,320,790	0.28	50,304	540.15	7,736	3,993,109	0.19	74,454	962.44
Accounts receivable factored without recourse (Note 7)			-	228,353	-	2,284	-	-	350,360	-	3,504	-

Note 1: Overdue loans represent the amounts of overdue loans reported to the authorities and disclosed to the public, as required by the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrued Loans." Overdue credit card receivables represent the amounts of overdue receivables reported to the authorities and disclosed to the public, as required by the Banking Bureau's letter dated July 6, 2005 (Ref. No. 0944000378).

Note 2: Ratio of NPL: Non-performing loans ÷ Outstanding loan balance.
Ratio of delinquency: Non-performing receivables ÷ Outstanding receivables balance.

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

Note 4: Mortgage is fully secured by property, which is purchased (owned) by the borrower, the spouse or the minor children of the borrower and the rights on mortgage are pledged to the financial institution, for the purpose of purchasing or decorating property.

Note 5: Microcredit, as categorized in accordance with the Banking Bureau's letter dated December 19, 2005 (Ref. No. 09440010950), are unsecured loans with small amounts exclusive of credit cards and cash cards.

Note 6: Other loans of consumer banking refer to secured or unsecured loans exclusive of mortgage, cash card, microcredit and credit card.

Note 7: As required by the Banking Bureau's letter dated July 19, 2005 (Ref. No. 0945000494), factoring without recourse is disclosed as non-performing receivables in three months after the factors or insurance companies reject indemnification.

TABLE 1-1

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

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

	December 31, 2024		December 31, 2023	
	Excluded NPL	Excluded Overdue Receivables	Excluded NPL	Excluded Overdue Receivables
As a result of debt negotiations and loan agreements (Note 1)	$ -	$ -	$ -	$ -
As a result of consumer debt clearance (Note 2)	-	32,588	-	29,642

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

Note 2: The disclosure of excluded NPLs and excluded overdue receivables resulting from consumer debt clearance is based on the Banking Bureau's letter dated September 15, 2008 (Ref. No. 09700318940) and September 20, 2016 (Ref. No. 10500134690).

TABLE 2

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

LOANS AND OTHER INFORMATION
DECEMBER 31, 2024
(Amounts in Thousands of New Taiwan Dollars)

No (Note1)	Lender	Borrower	Corresponding Account	Related Parties	The Highest Period Balance	Ending Balance	Actual Amount	Interest Rate Range	Capital Loan (Note 2)	Business Dealing Amount	Reasons of Short-term Financing	Allowance	Collateral		Individual Fund Loan and Limit (Note 3)	Total Loan Limit (Note 3)
													Name	Value		
1	SCSB Leasing (China) Co., Ltd.	A Co., Ltd.	Entrusted loan receivables	N/A	$ 80,622	$ 134,370	$ 80,622	6%-11%	1	$ 80,622	-	$ 1,612	Real estate	$ 270,084	$ 382,972	$ 957,430

Note 1: The numbers refer to the following:
(1) Issuer is 0.
(2) Investees are numbered sequentially starting from 1.

Note 2: The nature of capital loans corresponds to the following values:
(1) 1 for business dealing.
(2) 2 for reasons of short-term financing facility.

Note 3: The amounts and calculation of the loan limit are as follows:

1. Individual fund loans and limits

(1) For an enterprise or organization that has no business relationship with the lender but has short-term financing facility, the loan amount to the single enterprise or organization shall not exceed 40% of the net value as presented in the latest financial statements of the lender as audited by the accountant.

(2) For an enterprise or organization that has no business dealings with the lender but has short-term financing facility, the loan amount to the single enterprise or organization shall not exceed 20% of the net value as presented in the latest financial statements of the lender as audited by the accountant.

2. Capital loans and total loan limits

(1) For an enterprise or organization that has no business dealings with the lender but has short-term financing facility, the total accumulated loan balance of the single enterprise or organization shall not exceed twice the net value as presented in the latest financial statements of the lender as audited by the accountant.

(2) For an enterprise or organization that has no business dealings with the lender but has short-term financing facility, the total accumulated loan balance of the single enterprise or organization shall not exceed 40% of the net value as presented in the latest financial statements of the lender as audited by the accountant.

The total accumulated loan balance of the above two parties shall not exceed twice the net value as presented in the latest financial statements of the lender as audited by the accountant.

TABLE 3

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2024
(Amounts in Thousands of New Taiwan Dollars)

Holding Company Name	Name	Security Issuer's Relationship with Holding Company	Financial Statement Account	December 31, 2024				Note
				Shares (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
Shancom Reconstruction AG	Empresa Inversiones Generales, S.A.	Indirect subsidiary	Investments in subsidiaries	1	$ 23,466	100.00	$ 23,466	Note
	Krinein Company	Indirect subsidiary	Investments in subsidiaries	2	33,309	100.00	33,309	Note
	Safehaven Investment Corporation	Indirect subsidiary	Investments in subsidiaries	1	58,494	100.00	58,494	Note
	Shanghai Commercial & Savings Bank, Ltd.	The Bank	Financial assets measured at FVTOCI	11,370	450,237	0.23	450,237	
Wresqueue Limitada	Prosperity Realty Inc.	Indirect subsidiary	Investments in subsidiaries	4	47,405	100.00	47,405	Note
China Travel Service (Taiwan)	Silks Place Taroko	-	Equity investments under the	20,372	207,547	45.00	207,547	
	CTS Travel International Ltd.	Indirect subsidiary	Investments in subsidiaries	600	7,023	100.00	7,023	Note
	Joy Tour Service Co., Ltd.	-	Financial assets measured at FVTOCI	100	1,000	11.00	1,000	
	Shanghai Commercial & Savings Bank, Ltd.	The Bank	Financial assets measured at FVTOCI	27	1,102	-	1,102	
SCSB Asset Management Ltd.	SCSB Leasing (China) Co., Ltd.	Indirect subsidiary	Investments in subsidiaries	N/A	966,278	100.00	966,278	Note
	Fubon Financial Holding Co., Ltd. Preferred Shares C	-	Financial assets measured at FVTOCI	2	106,400	-	106,400	
Krinein Company	Shanghai Commercial Bank (HK)	Indirect subsidiary	Investments in subsidiaries	1,920	15,502,283	9.60	15,502,283	Note
Empresa Inversiones Generales, S.A.	Shanghai Commercial Bank (HK)	Indirect subsidiary	Investments in subsidiaries	9,600	77,511,416	48.00	77,511,416	Note

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

TABLE 4

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

ACQUISITION OF REAL ESTATE AT PRICES REACHEING $300 MILLION OR 10% OF THE ISSUED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Seller	Property	Event Date (Note1)	Acquisition Date	Carrying Amount	Transaction Amount (Note2)	Payment Status	Disposal Gain or Loss (Note 3)	Counterparty	Relationship	Purpose of Disposal	Purpose of Acquisition and Usage	Other Terms
The Shanghai Commercial Bank, Ltd.	Residential property, 33 Catchick Street, Kennedy Town, Western District, Hong Kong	2024/4/24	Not Applicable	HK$ 320,070	HK$ 805,382	Payment schedule is according to the terms of the contract	$ -	Eligible persons, persons or companies aged 18 or above who hold a valid Hong Kong Identity Card and a valid passport	Among 101 residential units, room F on the 9th and 10th floor of the unit was sold to Mr. John Con-Sing Yung, non-executive chairman of Shanghai Commercial Bank Co., Ltd. The above transaction was announced on August 21, 2024	Disposal of non-owner-occupied residential real estate of the subsidiary company	173 residential units, the total price is determined with reference by valuation company, appraisal as of March 31, 2024 Cushman & Wakefield: HK$1,709,000 Jones Lang LaSalle: HK$1,828,000	None

Note 1: The event date was the date of the resolution of the board of directors of our subsidiary – The Shanghai Commercial Bank (HK).

TABLE5

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

SALE OF NON-PERFORMING LOANS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Transaction Date	Trading Partners	Debt Components	Book Value	Selling Price (Note)	Disposal(loss)	With agree conditions	The relationship between the transaction object and the Bank
December 27, 2024	Not applicable/ Subject to the confidentiality agreement	Loan Claims	US$ 155,000	-	-	Subject to the confidentiality agreement	Non-related party

Note: Subject to the confidentiality agreement. For relevant information, please refer to the Market Observation Post System website of the Taiwan Stock Exchange.

TABLE6

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

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

Unit: NTD thousand / thousand shares

Investee Company	Location	Main Businesses and Products	Percentage of Ownership (%)	Carrying Amount	Investment Income (Loss) Recognized	Consolidated Investment (Note 2)				Note
						Shares (In Thousands)	Shares (Pro forma)	Shares (In Thousands)	Percentage of Ownership (%)	
Financial business										
SCSB Asset Management Ltd.	Taiwan	Purchase and management of creditor's rights of financial institutions	100.00	$ 1,699,726	$ 32,844	160,000	-	160,000	100.00	
Paofoong Insurance Company Ltd.	Hong Kong	Insurance	40.00	465,504	37,173	500	-	500	100.00	
Shanghai Commercial Bank (HK)	Hong Kong	Banking and financial	57.60	93,013,699	1,328,817	11,520	-	11,520	57.60	
SCSB Leasing (China) Co., Ltd.	China	Leasing operation	100.00	966,278	8,784	N/A	-	N/A	100.00	
AMK Microfinance Institution Plc.	Cambodia	Microfinance institution	99.99	5,978,231	63,273	10,946	-	10,946	99.99	
Non-financial business										
China Travel Service (Taiwan)	Taiwan	Travel services	99.99	398,316	(36,531)	38,943	-	38,943	99.99	
SCSB Marketing Ltd.	Taiwan	Marketing	100.00	9,858	2,182	500	-	500	100.00	
Kuo Hai Real Estate Management	Taiwan	Building material distribution	30.00	-	-	3,000	-	3,000	30.00	
Shancom Reconstruction AG	Switzerland (Note3)	Securities investment	100.00	92,322,272	1,287,132	15	-	5	100.00	
Wresqueue Limitada	Liberia	Securities investment	100.00	419,629	15,114	176	-	176	100.00	
Empresa Inversiones Generales, S.A.	Panama	Securities investment	100.00	23,466	(28)	1	-	1	100.00	
Krinein Company	Cayman Islands	Securities investment	100.00	33,309	1,164	2	-	2	100.00	
Safehaven Investment Corporation	Liberia	Securities investment	100.00	58,494	2,509	1	-	1	100.00	
Prosperity Realty Inc.	USA	Real estate services	100.00	47,405	4,737	4	-	4	100.00	
Silks Place Taroko	Taiwan	Travel services	45.00	207,547	(29,027)	20,372	-	20,372	45.00	
CTS Travel International Ltd.	Taiwan	Travel services	100.00	7,023	2	600	-	600	100.00	

Note 1: Investees are categorized into financial business and non-financial business.

Note 2: 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 3: On September 6, 2024, the Bank's board of directors approved the relocation of its subsidiary Shancom Reconstruction AG to Switzerland. For relevant information, please refer to the Market Observation Post System website of the Taiwan Stock Exchange.

TABLE 7

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

INVESTMENT IN MAINLAND CHINA
DECEMBER 31, 2024
(Amounts in Thousands of New Taiwan Dollars and US Dollars)

1. Investee company name, main business and products, total amount of paid-in capital, investment type, investment outflows and inflows, % ownership, investment gain (loss), carrying amount as of December 31, 2024 and inward remittance of earnings:

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type (Note 1)	Accumulated Outflow of Investment as of December 31, 2024	Investment Flows		Accumulated Outflow of Investment as of December 31, 2024	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2024 (Note 3)	Accumulated Inward Remittance of Earnings as of December 31, 2024
					Outflow	Inflow					
SCSB Leasing (China) Co., Ltd.	Leasing operation	$ 983,700 US$ 30,000	Note 1 (3)	$ 983,700 US$ 30,000	$ - US$ -	$ - US$ -	$ 983,700 US$ 30,000	100%	$ 8,784 US$ 274	$ 966,278 US$ 29,469	$ - -
Bank of Shanghai	Banking business approved by local government	63,631,684 US$ 1,940,582	Note 4	3,696,843 US$ 112,743	- US$ -	- US$ -	3,696,843 US$ 112,743	3%	- US$ -	17,493,713 US$ 553,508	- -
Shanghai Commercial Bank Ltd. - Shenzhen Branch	Banking business approved by local government	3,143,674 US$ 95,873	Note 4	2,095,051 US$ 63,893	- US$ -	- US$ -	2,095,051 US$ 63,893	100%	(828,511) (US$ 25,817)	3,047,255 US$ 92,932	- -
Shanghai Commercial Bank Ltd. - Shanghai Branch	Banking business approved by local government	3,532,952 US$ 107,745	Note 4	2,122,070 US$ 64,717	- US$ -	- US$ -	2,122,070 US$ 64,717	100%	(954,630) (US$ 29,747)	3,680,282 US$ 112,238	- -
The Shanghai Commercial & Savings Bank, Ltd. - Wuxi Branch	Banking business approved by local government	2,843,123 US$ 86,707	Note 1 (1)	2,843,123 US$ 86,707	- US$ -	- US$ -	2,843,123 US$ 86,707	100%	52,045 US$ 1,622	2,876,760 US$ 82,733	- -

2. Upper limit on investments in mainland China:

Accumulated Investment in Mainland China as of December 31, 2024 (Note 3)		Investment Amounts Authorized by Investment Commission, MOEA (Note 3)		Upper Limit on Investment Authorized by Investment Commission MOEA
$ 11,740,787	US$ 358,060	$ 12,530,491	US$ 382,144	$ 160,131,006

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

(a) Directly invest.
(b) Invest indirectly via a third company.
(c) Others.

Note 2: Except for SCSB Leasing (China) Co., Ltd., the financial report audited by the accounting firm associated with the parent company in Taiwan.

Note 3: Calculated using the exchange rate on December 31, 2024.

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

TABLE 8

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

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

No.	Company Name	Counterparty	Nature of Relationship	Intercompany Transaction			
				Financial Statement Item	Amount	Term	Percentage of Consolidated Total Gross Sales or Total Assets (Note 3)
0	The Shanghai Commercial & Savings Bank, Ltd.	SCSB Asset Management Ltd.	From parent company to subsidiary	Accounts payable	$ 14	Note 4	-
		SCSB Asset Management Ltd.	From parent company to subsidiary	Deposits and remittances	41,629	Note 4	-
		SCSB Asset Management Ltd.	From parent company to subsidiary	Other liabilities	264	Note 4	-
		SCSB Asset Management Ltd.	From parent company to subsidiary	Interest expenses	1,947	Note 4	-
		SCSB Asset Management Ltd.	From parent company to subsidiary	Other non-interest income	598	Note 4	-
		SCSB Marketing	From parent company to subsidiary	Accounts payable	9,991	Note 4	-
		SCSB Marketing	From parent company to subsidiary	Deposits and remittances	14,555	Note 4	-
		SCSB Marketing	From parent company to subsidiary	Other liabilities	20	Note 4	-
		SCSB Marketing	From parent company to subsidiary	Interest expenses	167	Note 4	-
		SCSB Marketing	From parent company to subsidiary	Other non-interest income	101,933	Note 4	-
		China Travel Service (Taiwan)	From parent company to subsidiary	Accounts payable	506	Note 4	-
		China Travel Service (Taiwan)	From parent company to subsidiary	Deposits and remittances	165,435	Note 4	-
		China Travel Service (Taiwan)	From parent company to subsidiary	Other liabilities	189	Note 4	-
		China Travel Service (Taiwan)	From parent company to subsidiary	Interest expenses	2,218	Note 4	-
		China Travel Service (Taiwan)	From parent company to subsidiary	Other non-interest income	720	Note 4	-
		China Travel Service (Taiwan)	From parent company to subsidiary	Other general and administrative expenses	3,738	Note 4	-
		CTS Travel International Ltd.	From parent company to subsidiary	Accounts payable	26	Note 4	-
		CTS Travel International Ltd.	From parent company to subsidiary	Deposits and remittances	5,064	Note 4	-
		CTS Travel International Ltd.	From parent company to subsidiary	Interest expenses	91	Note 4	-
		Shancom Reconstruction AG	From parent company to subsidiary	Cash and cash equivalents	191,692	Note 4	-
		Shancom Reconstruction AG	From parent company to subsidiary	Due from the Central Bank and call loans to banks	91,960	Note 4	-
		Shancom Reconstruction AG	From parent company to subsidiary	Accounts payable	247	Note 4	-
		Shancom Reconstruction AG	From parent company to subsidiary	Deposits and remittances	73,553	Note 4	-
		Shancom Reconstruction AG	From parent company to subsidiary	Interest expenses	15,541	Note 4	-
		AMK Microfinance Institution Plc.	From parent company to subsidiary	Discounts and loans	2,295,300	Note 4	0.09%
		AMK Microfinance Institution Plc.	From parent company to subsidiary	Interest revenue	222,175	Note 4	-

(Continued)

No.	Company Name	Counterparty	Nature of Relationship	Intercompany Transaction			
				Financial Statement Item	Amount	Term	Percentage of Consolidated Total Gross Sales or Total Assets (Note 3)
1	SCSB Asset Management Ltd.	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Cash and cash equivalents	$ 41,629	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Accounts receivable	14	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Interest revenue	1,947	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Other general and administrative expenses	607	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Right-of-use assets	2,466	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Lease liabilities	2,474	Note 4	-
		Shancom Reconstruction AG	From subsidiary to subsidiary	Cash and cash equivalents	2	Note 4	-
2	SCSB Marketing	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Cash and cash equivalents	14,555	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Accounts receivable	9,991	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Other assets	20	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Interest revenue	167	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Other general and administrative expenses	80	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Right-of-use assets	47	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Lease liabilities	48	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Interest expenses	1	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Other non-interest income	101,853	Note 4	-
3	China Travel Service (Taiwan)	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Accounts receivable	506	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Cash and cash equivalents	165,435	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Other assets	189	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Interest revenue	2,218	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Other general and administrative expenses	720	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Other non-interest income	3,738	Note 4	-
		Shancom Reconstruction AG	From subsidiary to subsidiary	Cash and cash equivalents	113	Note 4	-
		CTS Travel International Ltd.	From subsidiary to subsidiary	Other general and administrative expenses	1,088	Note 4	-
4	CTS Travel International Ltd.	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Accounts receivable	26	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Cash and cash equivalents	5,064	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Interest revenue	91	Note 4	-
		China Travel Service (Taiwan)	From subsidiary to subsidiary	Service fee income	1,047	Note 4	-
		China Travel Service (Taiwan)	From subsidiary to subsidiary	Other non-interest income	41	Note 4	-

(Continued)

No.	Company Name	Counterparty	Nature of Relationship	Intercompany Transaction			
				Financial Statement Item	Amount	Term	Percentage of Consolidated Total Gross Sales or Total Assets (Note 3)
5	Shancom Reconstruction AG	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Due from the Central Bank and call loans to banks	$ 191,692	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Cash and cash equivalents	73,553	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Accounts receivable	247	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Cash and cash equivalents	91,960	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Interest revenue	15,541	Note 4	-
		SCSB Asset Management Ltd.	From subsidiary to subsidiary	Deposits and remittances	2	Note 4	-
		China Travel Service (Taiwan)	From subsidiary to subsidiary	Deposits and remittances	113	Note 4	-
6	AMK Microfinance Institution Plc.	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Call loans to banks	2,295,300	Note 4	0.09%
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Interest expenses	222,175	Note 4	-

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

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

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

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

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

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

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

TABLE9

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

Name of Major Shareholder / Shares	Number of Shares Held	Shareholding Ratio
Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF entrusted by Taishin Bank	258,185,590	5.31%

pwc 資誠

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

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

Opinion

We have audited the accompanying balance sheets of The Shanghai Commercial & Savings Bank, Ltd. (the "Bank") as at December 31, 2024 and 2023, and the related statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks and Regulations Governing the Preparation of Financial Reports by Securities Firms.

Basis for opinion

We conducted our audits of the financial statements in accordance with the "Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants" , Jin-Guan-Yin-Fa-Zi Letter No.10802731571 and Standards on Auditing of Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the Norm of Professional Ethics for Certified Public Accountant of 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 financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matter for the Bank's financial statements of the current period is stated as follows:

Allowance for credit losses of discounts and loans

Description

The core business of the Bank is granting loans, which is significant to the accompanying financial statements for the current period. The impairment assessment of discounts and loans is conducted in accordance with International Financial Reporting Standards 9 ("IFRS 9") 'Financial instruments' and relevant regulations of allowance for credit losses promulgated by competent authorities. Management evaluates the impairment of discounts and loans using the expected credit loss model, with assumptions made based on past events, current market conditions and forward-looking information, to assess whether there is significant increase of credit risk since initial recognition to measure allowance of credit losses. In addition, credit losses for credit-impaired loans are evaluated based on recoverable amounts. Please refer to Notes 4, 5, 14 and 38 of the financial statements for relevant information on impairment of discounts and loans. The evaluation of allowance for credit losses of discounts and loans involves significant judgments such as accounting estimates and management's assumptions, and shall comply with relevant regulations and interpretations. The measurement results would impact the amount recognized directly. Thus, we have determined the allowance of credit losses of discounts and loans as the key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the key audit matter mentioned above:

1. Obtained an understanding and performed sample tests of internal controls as well as operation procedures related to management's evaluation of credit losses;
2. Sampled and tested the classification of expected credit loss impairment stages.
3. Sampled and tested whether parameter assumptions adopted in the expected credit loss model including probability of default, loss given default and exposure at default are in accordance with existing policies;
4. Sampled and tested credit-impaired cases with material amounts which were assessed individually;
5. Assessed whether the allowance for credit losses of discounts and loans is in compliance with relevant regulations of the competent authorities.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks and Regulations Governing the Preparation of Financial Reports by Securities Firms, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank 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's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements.

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

1. Identify and assess the risks of material misstatement of the 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's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 the entities or business activities within the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period 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.

Puo-Ju Kuo Wei-Tai Wu
For and on behalf of PricewaterhouseCoopers, Taiwan
February 27, 2025

The accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than Taiwan. The standards, procedures and practices in Taiwan governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than Taiwan. Accordingly, the accompanying financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in Taiwan, and their applications in practice.

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

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.
Balance Sheets
December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

Codes	ASSETS	December 31, 2024 Amount	%	December 31, 2023 Amount	%
11000	Cash and cash equivalents	$ 21,213,339	1	$ 28,209,353	2
11500	Due from the Central Bank and call loans to banks	87,192,232	5	83,730,081	5
12000	Financial assets measured at fair value through profit or loss	2,582,689	-	1,458,935	-
12100	Financial assets measured at fair value through other comprehensive income	250,415,803	16	230,163,280	14
12200	Investments in debt instruments measured at amortized cost	214,376,343	13	237,245,205	15
12500	Securities purchased under resell agreements	8,408,560	1	5,421,476	-
13000	Receivables, net	10,749,984	1	10,668,014	1
13500	Discounts and loans, net	887,519,906	55	866,277,449	55
15000	Investments under the equity method, net	101,293,536	6	89,537,380	6
15500	Other financial assets, net	1,872	-	3,497	-
18500	Properties, net	15,230,318	1	14,317,913	1
18600	Right-of-use assets, net	757,738	-	731,466	-
19000	Intangible assets, net	323,476	-	417,440	-
19300	Deferred income tax assets	1,343,887	-	2,201,575	-
19500	Other assets, net	9,853,351	1	13,520,631	1
10000	Total assets	$ 1,611,263,034	100	$ 1,583,903,695	100
Codes	**LIABILITIES AND EQUITY**				
21000	Deposits from the central bank and other banks	$ 21,140,910	1	$ 14,226,206	1
22000	Financial liabilities measured at fair value through profit or loss	3,728,563	-	4,095,240	-
22500	Securities sold under repurchase agreements	4,783,153	-	591,289	-
23000	Payables	26,257,828	2	27,415,253	2
23200	Current income tax liabilities	382,599	-	669,929	-
23500	Deposits and remittances	1,286,587,580	80	1,274,561,694	80
24000	Bank debentures	48,220,000	3	58,070,000	4
25500	Other financial liabilities	8,626,096	1	6,559,273	-
25600	Provisions	1,661,634	-	2,175,537	-
26000	Lease liabilities	769,855	-	743,625	-
29300	Deferred income tax liabilities	9,711,633	1	10,527,881	1
29500	Other liabilities	1,464,520	-	950,724	-
20000	Total liabilities	1,413,334,371	88	1,400,586,651	88
	Equity				
	Share capital				
31101	Ordinary shares	48,616,031	3	48,616,031	3
31500	Capital surplus	27,705,927	2	27,548,445	2
	Retained earnings				
32001	Legal reserve	64,476,033	4	64,476,033	4
32003	Special reserve	7,669,374	1	13,252,879	1
32005	Unappropriated earnings	39,833,861	2	28,987,035	2
32000	Total retained earnings	111,979,268	7	106,715,947	7
32500	Other equity	9,710,581	-	519,765	-
32600	Treasury shares	(83,144)	-	(83,144)	-
30000	Total equity	197,928,663	12	183,317,044	12
	Total liabilities and equity	$ 1,611,263,034	100	$ 1,583,903,695	100

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

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.
Statements of Comprehensive Income
For the Year ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars, except Earnings Per Share)

		For the Year Ended December 31				
		2024		2023		Change
Codes		**Amount**	**%**	**Amount**	**%**	**%**
41000	Interest income	$ 40,419,486	147	$ 38,399,936	135	5
51000	Interest expenses	(21,389,849)	(78)	(18,624,590)	(65)	15
49010	Net interest income	19,029,637	69	19,775,346	70	(4)
	Non-interest income					
49100	Service fee income, net	4,362,671	16	3,003,380	10	45
49200	Gain on financial assets and liabilities measured at fair value through profit or loss	(2,956,671)	(11)	(1,146,870)	(4)	158
49310	Realized gain on financial assets measured at fair value through other comprehensive income	2,751,005	10	1,649,117	6	67
49450	Gain on financial assets measured at amortized cost	79,286	-	19,905	-	298
49600	Foreign exchange gain, net	2,744,974	10	1,372,358	5	100
49700	Impairment gain (loss) on assets	(54,605)	-	39,453	-	(238)
49750	Proportionate share of profit of associates under the equity method	1,401,187	5	3,954,943	14	(65)
49800	Other non-interest income, net	90,530	1	(257,491)	(1)	(135)
49020	Total non-interest income	8,418,377	31	8,634,795	30	(3)
4xxxx	Net revenue	27,448,014	100	28,410,141	100	(3)
58200	Provisions for bad-debt expense, commitment and guarantee liability	(2,605,898)	(9)	(2,700,000)	(10)	(3)
	Operating expenses					
58500	Employee benefits	(5,450,807)	(20)	(5,281,133)	(18)	3
59000	Depreciation and amortization	(879,500)	(3)	(799,624)	(3)	10
59500	Other general and administrative	(3,501,713)	(13)	(3,144,526)	(11)	11
58400	Total operating expenses	(9,832,020)	(36)	(9,225,283)	(32)	7
61001	Profit before income tax	15,010,096	55	16,484,858	58	(9)
61005	Income tax expense	(1,531,613)	(6)	(1,824,863)	(6)	(16)
64000	Net income	$ 13,478,483	49	$ 14,659,995	52	(8)
	Other comprehensive income (loss)					
	Items that will not be reclassified subsequently to profit or loss:					
65201	Remeasurement of defined benefit plans	(4,711)	-	(118,857)	(1)	(96)
65204	Gain (loss) on investments in equity instruments measured at fair value through other comprehensive income	694,848	2	2,756,301	10	(75)
65205	Financial liabilities designated at FVTPL which the amount of change derived from credit risk	3,132	-	32,147	-	(90)
65207	Proportionate share of other comprehensive income of associates under the equity method	3,199,184	12	731,995	3	337
65220	Income tax relating to items that will not be reclassified subsequently to profit or loss	(13,955)	-	64,559	-	(122)
65200	Subtotal of items that will not be reclassified subsequently to profit or loss	3,878,498	14	3,466,145	12	12
	Items that may be reclassified subsequently to profit or loss:					
65301	Exchange differences on translating foreign operations	6,409,246	23	(70,185)	-	(9232)
65307	Share of the other comprehensive income of associates accounted for using the equity method	1,311,365	5	1,950,177	7	(33)
65309	Gain (loss) on debt instruments measured at fair value through other comprehensive income	(684,983)	(2)	2,469,935	8	(128)
65310	Loss allowance for debt instruments measured at fair value through other comprehensive income	(39,121)	-	(43,086)	-	(9)
65320	Income tax relating to items that may be reclassified subsequently to profit or loss	(1,148,465)	(4)	(288,641)	(1)	298
65300	Subtotal of items that may be reclassified subsequently to profit or loss	5,848,042	22	4,018,200	14	46
65000	Other comprehensive income for the period, net of income tax	9,726,540	36	7,484,345	26	30
66000	Total comprehensive income for the period	$ 23,205,023	85	$ 22,144,340	78	5
	Earnings per share					
67500	Basic	$ 2.78		$ 3.02		
67700	Diluted	$ 2.78		$ 3.02		

The accompanying notes are an integral part of the standalone financial statements

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.
Statements of Changes in Equity
For the Year ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

Codes		Share Capital: Ordinary Shares	Capital Surplus	Retained Earnings: Legal Reserve	Retained Earnings: Special Reserve	Retained Earnings: Unappropriated Earnings	Other Equity: Exchange Differences on Translating Foreign Operations	Other Equity: Change in Financial Assets at FVTOCI	Other Equity: Change in Credit Risk From Financial Liabilities Designated at FVTPL	Treasury Shares	Total Equity
A1	Balance on January 1, 2023	$ 48,616,031	$ 27,405,763	$ 64,476,033	$ 7,669,374	$ 28,537,216	$ (126,464)	$ (6,677,607)	$ (36,294)	$ (83,144)	$ 169,780,908
D1	Net profit for the year ended December 31, 2023	-	-	-	-	14,659,995	-	-	-	-	14,659,995
D3	Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	(59,213)	(295,231)	7,806,642	32,147	-	7,484,345
D5	Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	14,600,782	(295,231)	7,806,642	32,147	-	22,144,340
	Appropriation of 2022 earnings										
B3	Special reserve	-	-	-	5,583,505	(5,583,505)	-	-	-	-	-
B5	Cash dividends	-	-	-	-	(8,750,886)	-	-	-	-	(8,750,886)
C7	Changes in capital surplus from investments in associates under the equity method	-	9,480	-	-	-	-	-	-	-	9,480
C17	Dividends not yet collected	-	133,202	-	-	-	-	-	-	-	133,202
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	183,428	-	(183,428)	-	-	-
Z1	Balance on December 31, 2023	$ 48,616,031	$ 27,548,445	$ 64,476,033	$ 13,252,879	$ 28,987,035	$ (421,695)	$ 945,607	$ (4,147)	$ (83,144)	$ 183,317,044
A1	Balance on January 1, 2024	$ 48,616,031	$ 27,548,445	$ 64,476,033	$ 13,252,879	$ 28,987,035	$ (421,695)	$ 945,607	$ (4,147)	$ (83,144)	$ 183,317,044
D1	Net profit for the year ended December 31, 2024	-	-	-	-	13,478,483	-	-	-	-	13,478,483
D3	Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	(18,241)	5,392,604	4,349,045	3,132	-	9,726,540
D5	Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	13,460,242	5,392,604	4,349,045	3,132	-	23,205,023
	Appropriation of 2023 earnings										
B3	Special reserve	-	-	-	(5,583,505)	5,583,505	-	-	-	-	-
B5	Cash dividends	-	-	-	-	(8,750,886)	-	-	-	-	(8,750,886)
C7	Changes in capital surplus from investments in associates under the equity method	-	9,480	-	-	-	-	-	-	-	9,480
C17	Dividends not yet collected	-	148,002	-	-	-	-	-	-	-	148,002
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	553,965	-	(553,965)	-	-	-
Z1	Balance on December 31, 2024	$ 48,616,031	$ 27,705,927	$ 64,476,033	$ 7,669,374	$ 39,833,861	$ 4,970,909	$ 4,740,687	$ (1,015)	$ (83,144)	$ 197,928,663

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

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.
Statements of Cash Flows
For the Year ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

Codes		For the Year Ended December 31 2024	2023
	Cash flows from operating activities		
A00010	Net profit before income tax	$ 15,010,096	$ 16,484,858
A20010	Adjustments to reconcile net profit to net cash provided by operating activities		
A20100	Depreciation expenses	616,679	554,005
A20200	Amortization expenses	262,821	245,619
A20300	Provisions for bad debt expense, commitment and guarantee liability	2,605,898	2,700,000
A20400	Gain (loss) on financial assets and liabilities at fair value through profit or loss	745,607	(216,148)
A20900	Interest expenses	21,389,849	18,624,590
A21200	Interest revenue	(40,419,486)	(38,399,936)
A21300	Dividend income	(2,414,488)	(1,587,756)
A21800	Provision for reconciliation compensation reserves	140,771	338,031
A22300	Proportionate share of profit of subsidiaries	(1,401,187)	(3,954,943)
A22500	(Gain) loss on disposal of properties and equipment, net	(119,952)	9,431
A23500	Loss on financial asset impairment	(44,240)	(39,453)
A23700	Impairment loss on non-financial assets	98,845	-
A29900	Others	(247,221)	(338,001)
A40000	Changes in operating assets and liabilities		
A41110	Due from the central bank and call loans to banks	(15,993,619)	19,111,174
A41120	Financial assets measured at fair value through profit or loss	(2,936,060)	1,193,478
A41123	Financial assets measured at fair value through other comprehensive income	(20,140,838)	(25,781,141)
A41125	Investment in debt instruments measured at amortized cost	22,872,038	(44,888,433)
A41150	Receivables	(109,182)	(487,498)
A41160	Discounts and loans	(24,244,775)	(28,904,995)
A41190	Other financial assets	1,660	(3,450)
A41990	Other assets	3,619,954	(5,059,465)
A42110	Deposits from the central bank and other banks	6,914,704	2,117,111
A42120	Financial liabilities at fair value through profit or loss	703,154	242,629
A42140	Securities sold under repurchase agreements	4,191,864	(190,279)
A42150	Payables	(1,315,086)	469,649
A42160	Deposits and remittances	12,025,886	56,166,184
A42170	Other financial liabilities	2,066,823	4,059,541
A42180	Employee benefit provisions	177,320	31,499
A42990	Other liabilities	35,186	22,250
A33000	Cash from (used in) operations	(15,906,979)	(27,481,449)
A33100	Interest received	40,236,930	36,848,013
A33200	Dividends received	2,478,597	2,257,077
A33300	Interest paid	(21,075,785)	(17,252,363)
A33500	Income tax paid	(2,579,949)	(1,971,417)
AAAA	Net cash from (used in) operating activities	3,152,814	(7,600,139)

(Continued)

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.
Statements of Cash Flows
For the Year ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

Codes		For the Year Ended December 31 2024	2023
	Cash flows from investing activities		
B02700	Acquisition of properties	$ (1,249,459)	$ (1,559,452)
B02800	Proceeds from disposal of properties	168,204	6,568
B04500	Acquisition of intangible assets	(123,978)	(290,899)
BBBB	Net cash from (used in) investing activities	(1,205,233)	(1,843,783)
	Cash flows from financing activities		
C01400	Proceeds from issuance of bank debentures	6,550,000	2,607,600
C01500	Payments for bank debentures	(16,400,000)	(625,400)
C04020	Payments for principal portion of lease liabilities	(318,136)	(331,101)
C04500	Cash dividends	(8,750,886)	(8,750,886)
CCCC	Net cash from (used in) financing activities	(18,919,022)	(7,099,787)
DDDD	Effects of exchange rate changes on the balance of cash held in foreign currencies	431,043	36,871
EEEE	Net (decrease) increase in cash and cash equivalents	(16,540,398)	(16,506,838)
E00100	Cash and cash equivalents at the beginning of the period	83,532,091	100,038,929
E00200	Cash and cash equivalents at the end of the period	$ 66,991,693	$ 83,532,091

Reconciliation of the cash and cash equivalent amounts in the statements of cash flows with the equivalent item reported in the balance sheets as of December 31, 2024 and 2023:

Codes		December 31, 2024	December 31, 2023
E00210	Cash and cash equivalents in balance sheets	$ 21,213,339	$ 28,209,353
E00220	Due from the Central Bank and call loans to banks which fall within the definition of cash and cash equivalents under IAS 7	37,369,794	49,901,262
E00230	Securities purchased under resale agreements which fall within the definition of cash and cash equivalents under IAS 7	8,408,560	5,421,476
E00200	Cash and cash equivalents in statements of cash flows	$ 66,991,693	$ 83,532,091

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

上海商業儲蓄銀行
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上海商業儲蓄銀行
THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

2024