一一三年度年報

2024 年報

ANNUAL REPORT

SKFH | Shin Kong Bank

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2024

ANNUAL REPORT

MESSAGE TO OUR SHAREHOLDERS

Operating Results for 2024

Domestic and External Financial Environments

The global economy faced numerous challenges and opportunities in 2024. No signs of a ceasefire appeared in the Russia-Ukraine war and conflicts in the Middle East continued to expand and there was a tightening of semiconductor control measures by the U.S. and China, all of which led to an increase in geopolitical risk. Fortunately, economic growth proved flexible; in the U.S., support from growing household consumption and exports boosted GDP expansion to 3.1% in the third quarter. The quarterly increase in the Personal Consumption Expenditures Price Index fell from 2.5% in the second quarter to 1.5% in the fourth, reflecting a softening of core inflation pressure; interest rates in the U.S. were cut 1% during the year, bringing the base rate down to 4.25%~4.50%. In Taiwan, the Directorate General of Budget, Accounting and Statistics (DGBAS) put the rate of inflation for 2024 at 2.1%, down from 2.5% the year before, indicating a slowdown. After considering overall domestic and external economic and financial conditions, however, the Central Bank raised the interest rate by 0.125 % for the year, boosting the rediscount rate from 1.875% to 2%; it also adjusted the deposit reserve ratio, suppressing real estate speculation and house hoarding. In view of the many uncertainties facing the global economy, growth in 2025 is forecast to slow down; DGBAS puts growth for 2024 at 4.59%, and projects the figure for 2025 at 3.14%

Budget Implementation, Income and Expenditures, and Profitability Analysis

The Bank's consolidated after-tax income for 2024 reached NT$7,216 million, exceeding the internal budget target. Despite the uncertainties that continued to afflict the overall market economy, the Bank promoted its loan business while paying close attention to risk management and carrying out prudent lending policies; at the same time, we reviewed the profitability of deposits and loans, adjusting strategies as necessary to upgrade the SKB's business. Our loans outstanding grew by 6.0% in 2024, and deposits rose 3.5%. In the area of profitability, after-tax ROA and ROE were 0.56% and 9.46%, respectively. Overall, despite the challenges posed by interest rate fluctuations and competition in the market, the SKB's implementation of appropriate business-promotion strategies boosted net income by 8.2% over 2023; net processing fee income grew by 26.5%, and overall net income expanded by 7.0%. In the area of asset quality, our non-performing loan ratio for 2024 was 0.12% and our coverage ratio was 1,086.63%, both better than the average for all Taiwan banks.

Most recent credit ratings, and dates of ratings

Rating Institution	Credit Rating		Outlook	Date of Latest Rating
	Long-term	Short-term		
Taiwan Ratings	twA+	twA-1	Positive	Feb. 13, 2025
S&P Global Ratings	BBB-	A-3	Positive	Feb. 13, 2025

Organizational Changes

- The Legal Dept. was merged into the Administration and Planning Group.
- The Customer Value Management Dept. was merged into the Channel Management Dept., Wealth Management Dept., and Operational Informational Technology Dept.
- The Channel Management Dept. was merged into the Risk Management Group, and the Risk Management Group was renamed the Channel and Risk Management Group.
- The Customer Service Dept. was merged into the Channel Management Group, and the Channel Management Group was renamed the Digital Banking and Customer Service Group.

Research and Development

In recent years the budget for the Bank's digital finance plan has grown at a double-digit rate every year. In addition to constantly strengthening digital product and service processes, upgrading business efficiency, and developing and deepening strategic alliance cooperation, we have vigorously assisted our branches in navigating the digital transition, providing point-of-sales digital tools to support front-line sales and using digital technology to help the branches enhance their profitability. Together with Shin Kong International Securities, in March 2024 we inaugurated an integrated online service for opening securities/ banking accounts, providing for one-stop account application. At the same time, we completed the development of account binding operations for opening banking and securities accounts, and for settlements, greatly enhancing efficiency and convenience for customers in opening accounts. With the inauguration of the Bank's mobile banking Omni-U digital investment online APP in May, customers can open a Masterlink Securities account with just the click of a button. In August we integrated our mobile banking and credit card APP; this allows customers to carry out credit card queries and payments, and to set functions, on a single platform, thus increasing their usage rate. In November we optimized the Quick Go Investment platform to simplify the customer transaction process and shorten transaction time, thus providing them with more convenient financial services.

Domestic and Overseas Awards

- ISO 27001:2022 Information Security Management certification
- Wealth Magazine 2024 Wealth Management Awards: Best Domestic Customer Recommendation and Best Domestic Bank Graphic Marketing Awards
- Taiwan Clearing House: ACH Payment Business Growth Award, ACH Insurance Premium Deduction Promotion Award, eDDA Excellent Business Performance Award
- Overseas Credit Guarantee Fund: New Southbound Country Guaranteed Loan Growth Excellence Award
- 104 Job Bank: First Best Employer Brand Award, 2024
- HR Asia Magazine: 2024 Best Companies to Work for in Asia Award and Diversity, Equity & Inclusion Award
- Strengthening of SME Loans by Domestic Banks: First Class
- Program of Incentives for Domestic Banks to Extend Loans to Six Core Strategic Industries: First Class
- 2024 Taiwan Sustainability Action Awards: SDG10 Disability-friendly Power of Empathy – Silver Award
- Excellence Magazine, 2024 Excellent Bank Rating: Best Social Inclusion Award and Best Professional Team Award
- 2024 17th Taiwan Corporate Sustainability Awards: Corporate Sustainability Reports – Banking and Insurance, Category 1 Gold
- 2024 BSI Standards Conference: Digital Trust Excellence Award
- 8th PwC Sustainable Influence Awards: Sustainable Influencer Award (Shortlist Award)
- Buying Power - Social Innovation Products and Services Procurement Award, First Prize
- 2024 Financial Information Systems Annual Conference: Interbank Service Innovation Award
- 2024 UX Design Award: Global Experience Design Award - Nominated

Impact of the External Competitive, Regulatory, and Overall Business Environments

Uncertainties in the global economy will spread in 2025. With the interaction of a “gray rhino effect” from a likely heating up of inflation pressure caused by the tariff policy of the new American government, and a “black swan effect” resulting from less-than-expected interest rate cuts by the U.S. Federal Reserve, the resilience of the global economy is gradually being replaced by uncertainty. The Fed may possibly slow down the pace of interest rate cuts; according to the Fed’s latest dot plot, the rate is expected to be reduced just two times during the year, bringing the median rate to 3.875% at year-end. Taiwan’s economic performance is expected to continue benefiting from the booming development of the AI industry, which will help slow down the progress of export weakening; overall economic performance will trend toward internal stability and external warmth, but future American tariff policy should continue to be watched closely.

Business Plans for 2025, and Future Development Strategy

In 2025 the Bank will continue giving due consideration to risk while striving for stable business growth under the core strategies of improvement of loan income, optimization of the deposit/loan structure, upgrading of the contribution of non-interest income, deepening of digital development, and creation of a new sustainability.

- Improvement of loan income, optimization of the deposit/loan structure: Under the precondition of risk controllability, the Bank will strive to develop syndicated loans, reinforce the promotion of trade financing, and emphasize development of the foreign exchange business. We will constantly expand our SME business, integrate customer resources, and upgrade cross-selling performance for financial management products. We will strengthen business momentum for high-spread credit products, heighten interest and fee income, emphasize credit flow, and strive to become the main bank for our loan customers. We will promote the GEB, salary transfer, and credit card acquiring businesses in order to boost cash flow for demand deposits. We will make the best use of the Bank’s deposit tools to expand the scale of deposits by deepening customer relations and seeking out deposit opportunities.

- Upgrading of the contribution of non-interest income: The resource-integration capability of unit managers will be upgraded, the financial-management cross-selling mechanism of all employee grades will be implemented, and financial management products will be constantly deepened to provide high-asset customers with a full range of financial consulting services. Our capital market operating strategy will be adjusted flexibly in response to the uncertain impact of the drastic fluctuations resulting from the new American government’s tariff policy. In addition, non-cardholding SKB customers will be cultivated continuously and high-value customer groups will be attracted by placing focus on prime resource-development products.

- Deepening of digital development: The number of online banking deposit accounts will be constantly and vigorously increased and the functions of online banking platforms will be expanded to boost income from digital platforms.

- Creation of a new sustainability: The SKB will constantly carry out sustainable financial management, vigorously grasp green-energy financing opportunities arising from the government's policy of promoting green and transition finance, and strive to achieve approved science-based carbon-reduction goals, working hand in hand with invested companies, loan customers, suppliers, and other stakeholders to expand our impact and together create a better society.

In gratitude for the care and support with which our customers, our parent financial holding company, our directors, and our shareholders have favored us over the years, Shin Kong Bank will continue working ceaselessly to carry our operating performance to new heights so that we can pay back something to our shareholders and to society.

Chairman 謝進南

Information on Chairman and Directors

As of February 8, 2025

Title	Name	Prime (Education) Experiences	Current Bank & Other Positions
Chairman	Chin-Yuan Lai	Chairman of Taichung Commercial Bank Co., Ltd. Chairman of Taiwan Shin Kong Commercial Bank Co., Ltd. Department of Economics, Tunghai University	Chairman of Taiwan Shin Kong Commercial Bank Co., Ltd. Supervisor of TANG FA Co., Ltd
Director	Cheng Kuo Lee	Senior Vice President of E.Sun Bank President of Taiwan Shin Kong Commercial Bank Co. Ltd. Bachelor of Business Administration, Tamkang University	Director & President of Taiwan Shin Kong Commercial Bank Co., Ltd.
Director	Yu Yuan Wang	Ambassador of Embassy of the Republic of China to the Holy See Director of the Protocol Department of the Ministry of Foreign Affairs M.A., Chinese Culture University	Director of Taiwan Shin Kong Commercial Bank Co., Ltd Chairman of Shin Kong Bank Cultural and Educational Foundation.
Director	Shang Ming Chai	Supervisor of Wholesale Credit Administration Division of Taishin International Bank Director of Taiwan Shin Kong Commercial Bank Co., Ltd MBA, University of Texas at El Paso	Director of Taiwan Shin Kong Commercial Bank Co., Ltd Chairman of Mega Green Energy Corporation
Director	Hsin Chang Wu	Head of Shin Kong Mitsukoshi Business Group Director of Taiwan Shin Kong Commercial Bank Co., Ltd MBA, Waseda University	Director of Taiwan Shin Kong Commercial Bank Co., Ltd Vice Chairman of Taroko Development Corporation Chairman of Shin Kong CinePlex Co., Ltd
Independent Director	Yang Tzong Tsay	Director of Bank of Taiwan Independent Director of Taiwan Shin Kong Commercial Bank Co., Ltd Ph.D. ,University of Maryland	Independent Director of Taiwan Shin Kong Commercial Bank Co., Ltd Independent Director of Yung Zip Chemical Ind. Co., Ltd.
Independent Director	Chih Jong Suen	Independent Director of Chang Hwa Commercial Bank, Ltd Independent Director of Taiwan Shin Kong Commercial Bank Co., Ltd MBA, The Ohio State University	Independent Director of Taiwan Shin Kong Commercial Bank Co., Ltd
Independent Director	Shou Huang Chen	Political Deputy Minister of Ministry of Justice Independent Director of Taiwan Shin Kong Commercial Bank Co., Ltd Ph.D., National Taiwan Ocean University	Independent Director of Taiwan Shin Kong Commercial Bank Co., Ltd Director of Symbio, Inc.

◆ Information on President, Executive Vice Presidents, Senior Vice Presidents Vice Presidents, and Managers of Departments

Title	Name	Title	Name
President	Cheng Kuo Lee	Senior Vice President	Shu Ying Chou
Chief Auditor	Yu Su Huang	Senior Vice President	Steven Lin
Executive Vice President	Niel Chang	Senior Vice President	Mei Li Wu
Chief Information Security Technology Officer	Kuo Ping Lin	Senior Vice President	Kuan Hsien Li
Chief Information Officer	Johnson Chang	Vice President	Shu Hui Liang
Chief Compliance Officer	Ginger Chou	Vice President	Chia Hao Lui
Senior Vice President	Bing Hsin Hsu	Vice President & Chief Corporate Governance Officer	Tzu Yuan Ting
Senior Vice President	Ben Yang	Vice President	Huei Ping Liao
Senior Vice President	Po-Yang Chiu	Vice President	Chin Ta Chiang
Senior Vice President	Hsien Chi Lui	Vice President	Regina Lin
Senior Vice President	Vincent Lin	Vice President	Shao Hua Hsiang
Senior Vice President	Cho Su Huang	Vice President	Yu Ting Chiu
Senior Vice President	Jung Shan Chien	Vice President	Sheng Chin Lee
Senior Vice President	Tom Lin	Vice President	Kozen Lee
Senior Vice President	Eddie Chung	Vice President	Tzu Hsing Lee
Senior Vice President	Fea Chin Huang	Vice President	Peggy Hsu
Senior Vice President	Sean Lin	Vice President	Chia Lung Chen
Senior Vice President	Yu Chin Chiu	Vice President	Zong Yi Lin
Senior Vice President	Ting Hsien Lu	Vice President	Ming Fu Tsai
Senior Vice President	Wang Chen Lin	Vice President	Ping Han Lee

As of February 8, 2025

◆ Review of Operations

1. Deposits Business

Deposits in the Bank in 2024 amounted to NT$1,121,843 million; this was NT$26,560 million more than the previous year, for a growth of 2.42%.

Unit: NT$ million

Items		2024	2023	Increase (Decrease)
Demand deposits	Checking deposits	7,734	8,175	(441)
	Public treasury deposits	561	464	97
	Demand deposits	185,664	173,394	12,270
	Demand savings deposits	285,271	294,464	(9,193)
	Subtotal	479,230	476,497	2,733
Time deposits	Time deposits	426,665	416,796	9,869
	Time savings deposits	215,948	201,990	13,958
	Subtotal	642,613	618,786	23,827
Total deposits		1,121,843	1,095,283	26,560

2. Loans Business

The Bank's outstanding loans in 2024 stood at NT$854,232 million; this was NT$48,275 million more than the previous year, for a growth of 5.99%.

Unit: NT$ million

Items	2024	2023	Increase (Decrease)
Secured loans	619,415	589,557	29,858
Unsecured loans	234,817	216,400	18,417
Total loans	854,232	805,957	48,275
Total Loans to Total Assets	64.62%	63.68%	

3. Corporate Banking Business

Corporate loans outstanding in 2024 (excluding the Hong Kong Branch) amounted to NT$379,700 million, up NT$37,600 million over the year before for a growth of 10.98%; corporate loans outstanding for the year (including the Hong Kong Branch) stood at NT$395,500 million, up NT$36,600 million from the year before for a growth of 10.20%.

Unit: NT$ million

-Items	2024 Loans outstanding	2023 Loans outstanding	Increase (Decrease)
Corporate Banking(Excluding Hong Kong Branch)	379,661	342,105	37,556
Corporate Banking(Including Hong Kong Branch)	395,488	358,873	36,615

4. Consumer Banking Business

The Bank's mortgage loans outstanding in 2024 stood at NT$360,650 million, up NT$6,230 million over 2023 for a growth of 1.76%. Operating income from this business amounted to NT$9,130 million for the year. The Bank's mortgage loans continuously offers superior service quality, focusing on services that satisfy the needs of different customer segments and moving in line with the government's regulatory measures to stabilize its mortgage-loan market share and asset quality while improving loan growth and overall profitability.

Consumer loans outstanding in 2024 amounted to NT$97,820 million, an improvement of NT$5,640 million over 2023 for a growth of 6.12%. Operating income from this business totaled NT$4,750 million for the year. The Bank continued optimizing the customer experience and system automation through the transformation of digital processes, heightening the performance of digital application and diverse service channels to provide the public with more convenient, more secure, and faster channels for the acquisition of funds. The Bank also strengthened product competitiveness and a rational level of income, satisfying customer needs and enhancing service satisfaction. At the same time, to realize the goal of sustainable development we introduced unsecured loans to support single-parent families and those needing long-term care, giving disadvantaged groups access to financing services and realizing the goal of inclusive financing.

5. Wealth Management Business

Service fee income from the Bank's wealth management business totaled NT$3,710 million in 2023, up NT$910 million from 2023 for a growth of 32.6%. The growth came mainly from increases of 41.7% in the sale of insurance products and 95.7% in the sale of trust products. Non-discretionary money trust funds under management in 2024 totaled NT$118,760 million, giving the Bank a market share of about 1.88% and ranking it 17th in the industry. In 2024 the SKB was honored with the "Best Customer Recommendation Award, Domestic Bank" and "Best Graphic Marketing, Domestic Bank" wealth management awards from Wealth Magazine, and "Best Social Inclusion Award" and "Best Financial Advisor Team Award" from Excellence Magazine's Excellence Bank Ratings. The Bank continuously holds to the spirit of dedication, innovation, and customer orientation in its wealth management business, mapping out financial management products that meet the needs of customers in different stages of life and help them achieve their life goals in five areas of insurance, education, retirement, wealth management, and estate inheritance.

6. Digital Banking Business

The number of SKB digital bank users topped 1,430,000 in 2024, up 10% over the 1,300,000 users in 2023, and the digital transaction ratio exceeded 90%. The Bank adheres to the value proposition of “holding close to life, considering customer interests” as it continuously provides rapid, convenient, and secure digital financial products and services while working vigorously to develop a diversified mobile payments business that will satisfy customers’ digital banking needs for consumption, payment, and financial planning. The Bank emphasizes an experiential orientation, using digital products, sales channels, and marketing programs to create customer acquisition and management platforms. It also uses digital innovation and agility basing to develop business, create digital products, and lower operating costs while enhancing income and customer management performance. In 2024 the Bank received the Financial Information Company’s “Interbank Service Innovation Award”, “UX Design Awards” , “Global Experience Award” and so on.

7. Credit Cards Business

The amount of consumption using SKB-issued credit cards reached NT$55,900 million in 2024, for a growth of 5% over the year before. The number of valid cards reached 1,071,398, about the same as 2023.

(1) Upgrading of digital services: Creation of more convenient digital services for customers
Service functions of mobile banking credit-card services were optimized, with a smart interface and personalized mechanisms being used to boost the convenience of use by cardholders. Key functions that were enhanced include dynamic management of credit-card limits, support for temporary online credit limit adjustment, easy-to-use account management interface for credit card billing, and credit-card consumption rewards points enquiry. This effectively increased digital service penetration by creating convenient cardholder services.

(2) Sustainable finance: Green credit cards for promotion of corporate social responsibility
SKB bank cards are designed as an active response to the trend toward sustainable development. The Bank continuously issues cards made of environmentally friendly PETG materials and promotes them on the basis of carbon-reducing lifestyles and green consumption. By the end of 2024, SKB bank cards had passed ISO 14067 carbon footprint verification and successfully acquired carbon footprint label certification, making the Bank a credit card issuer with national-level certification. In 2024 the Bank also received PAS 2060 Carbon Neutrality certification for 2023. Customers’ card-application journeys are inventoried, sole digital application channel is provided, e-billing is encouraged, e-payment is specified, and rewards for green consumption are used to acquire customer segments that place emphasis on the issues of digitization and sustainability while fulfilling corporate sustainability values and corporate social responsibility. These activities also guide consumers toward the realization of a sustainable low-carbon life.

8. Trust Business

Unit: NT$ million

Items	2024	2023	Increase (Decrease)
Non-discretionary money trust capital investments in domestic funds	4,293	3,693	600
Non-discretionary money trust capital investments in foreign funds (including OBU sales)	21,343	9,233	12,110
Non-discretionary money trust capital investments in foreign bonds (including OBU sales)	17,098	12,416	4,682
Securities certification	6,584	6,816	(232)
Securities recertification	183	65	118
Other money trust assets	3,071	2,272	799
Stock ownership trust assets	1,039	840	199
Real estate trust assets	55,717	50,680	5,037
Funds under custodianship	30,474	33,017	(2,543)

9. Investment Business

Unit: NT$ million

Items	2024		2023		Increase (Decrease)
	Amount	%	Amount	%	
Bonds	80,517	22.28%	83,009	23.42%	-2,492
Financial debentures	6,500	1.80%	7,050	1.99%	-550
Corporate Bonds	61,344	16.98%	59,123	16.68%	2,221
Stocks	4,497	1.24%	4,499	1.27%	-2
Beneficiary Certificates	105	0.03%	0	0.00%	105
Beneficiary Securities	382	0.11%	330	0.09%	52
Foreign Securities	103,113	28.53%	93,854	26.47%	9,260
Financial derivatives	1,787	0.49%	2,263	0.64%	-476
Inter bank call loan	22,178	6.14%	21,960	6.19%	218
Re-deposits	78,591	21.75%	77,901	21.97%	690
Short-term notes and bills	2,362	0.65%	4,514	1.28%	-2,152
Total	361,376	100.00%	354,502	100.00%	6,874

Market Analysis

The impact of Taiwan's major economic indexes on potential future supply and demand conditions in the market is briefly described below:

1. Supply

- Financial institutions: Domestic financial institutions were operating a total of 6,384 business units at the end of 2024, of which 427 were headquarters units and 5,957 were branches. (Source: Financial Statistics Monthly, published by the Central Bank)
- Deposits: Taiwan's banking system held a total of NT$51,576.5 billion in deposits at the end of 2024, an increase of 6.19% over a year earlier.

2. Demand

Inflation declined in the world's major countries in 2024. The U.S. cut interest rates for 1% during the year; but with the impact of uncertainties such as a continuous expansion of the effects of geopolitics along with risks, and rising international trade protectionism, international institutions generally predict a global slowdown in economic growth in 2025. According to the World Bank's "Global Economic Prospects" report, the global economy is predicted to grow at a moderate but fragile rate in 2025, with growth at 2.7%. Taiwan's Directorate General of Budget, Accounting and Statistics estimates domestic economic growth at about 3.14% in 2025, a slight decrease from 2024, and projects per-capita GDP for the year at US$35, 106.

3. Growth Prospects

Global economic growth in 2025 is expected to remain little changed from 2024; but most forecasters expect the trend of slowing growth to continue, mainly because of the cumulative interactive effects of monetary tightening by central banks, geopolitics, supply chain fragmentation, and transition in response to climate risk. In Taiwan, economic performance is expected to benefit from the booming development of the AI industry, which will help delay the cooling of exports. Driven by external demand and rises in basic wages, teacher, military, and public servant salaries, and the basic living expense deduction on income taxes, disposable incomes will increase and this will favor the continued expansion of domestic private consumption. The heating up of inflation that will likely result from the new American government's tariff policy in 2025, along with geopolitical risks, post-pandemic labor shortages, climate risks, and other uncertainties, will add to fluctuations in raw materials and commodities prices and make it difficult for manufacturers to judge future trends, and this will continuously affect the speed of global economic recovery.

4. Favorable and Unfavorable Factors in Development Prospects:

(1) Favorable Factors

External environment:

- Since the government initiated the "Three Major Programs for Investing in Taiwan," investment to date has exceeded NT$2,500 billion; the programs will hopefully continue stimulating Taiwanese and external capital to return and invest on the island, motivating small and medium enterprises to "leave their roots in Taiwan" and prompting domestic industries to upgrade and transform. This will favor expansion of the corporate financing and wealth management businesses by banks, and stimulate domestic economic development.

- The accelerated digital advancement in technology development will cause customers' acceptance of digital banking and demand for contactless services to soar, and with the development and application of artificial intelligence, big data, and other emerging technologies, the integration of products, technology, and services will expand the scope of financial services and upgrade the customer service experience.

The SKB niche:

- The SKB's widespread network of business locations, with 104 domestic and overseas branches, favors the cultivation of local operations; this, together with digital and physical branches, creates an all-channel service model that provides customers with high-quality integrated click-and-mortar services, extends the reach of branches' localized SME services, upgrades the service satisfaction of different customer groups, and expands the Bank's income network.

- Integration of the financial holding company's resources and the advantages provided by subsidiaries' sales channels ,helps the SKB to realize cross-marketing synergies and provide a full range of financial products and services, consummates the customer experience, and expands the Group's overall income.

(2) Unfavorable Factors

- The U.S. Fed reacted to the lessening of core inflation pressure by lowering interest rates by one percentage point in 2024, but the tariff police of the new American government will likely result in a "gray rhino" effect of raising inflation pressure and a "black swan" effect of less-than-expected interest cuts. Because of these effects, the global economy's resilience is gradually being replaced by uncertainty; this has already produced side-effects such as a decline in domestic private investment willingness and a sluggishness of export growth. This presents the challenge of how to continue expanding loans in shadow of economic downturn.

- The constant impact of the U.S.-China tech wars, geopolitical tensions, and military conflicts has created commodity price fluctuations and aggravated economic differentiation; the world is in the midst of a supply chain restructuring, which is inflicting blows and trials on the strategic resilience of industries and their risk control capability. How to identify risks while maintaining stable profitability in loans and investments under these conditions has become a major challenge for the banking industry.

Overview of Research on Financial Products, and Business Development

1.Scale and Profitability of Major Financial Products, and New Business Units for the Past Two Years

(1)The mobile banking APP was given a full renovation in 2023, all with complete self-design and -development. The APP was transformed from a functional orientation to an experiential orientation, with a focus on the user experience in the replanning of the mobile banking APP's transaction process. The brand-new interface, user friendliness, secure and rapid operation, and use of new technology, plus the introduction of the mobile multi-factor authentication mechanism, not only gives customers an enhanced experience but also assures them secure, uninterrupted service.

(2) The Bank worked with MasterLink Securities, another subsidiary of the financial holding company, in introducing a brand-new Omni-U digital investment account in February 2023, offering a quick, one-stop online application process for both centralized securities depository and bank settlement accounts, integrating financial investment and management information. This banking APP, which makes the opening of accounts much more convenient, was put online in May 2024.

(3) An integrated online banking/securities account-opening service was inaugurated in March 2024. This "Banking/Securities Single Account-opening Program" is a joint one-stop online account-opening service offered through cooperation between Shin Kong Bank and Shin Kong International Securities; the customer submits an account application through the Shin Kong Securities portal, and the system allows the opening of bound banking and securities accounts at the same time. The streamlining of this account-opening service enhances efficiency and provides customers with more convenient digital financial services.

(4) The "SME Financial Services Platform" was put on line in December 2024, allowing consumer banking employees handling microenterprise loans to first obtain customers' financial information, carry out preliminary assessment and, in accordance with the results of that assessment, decide whether or not to grant the loan. Even for loans that cannot be granted, this saves on application time and enhances efficiency for microenterprise loan applications.

2. R&D Costs and Results for the Past Two Years, and Future R&D Plans briefly described.

(1)Initiation of the "Securities Market Risk Management Platform Program" by the Hong Kong Branch: This program was developed in cooperation by the SKB headquarters Risk Management Dept. and information units, with help from middle-office colleagues in the Hong Kong Branch. The program integrates Bloomberg information and securities transactions, and nimbly produces management reports using systematic methods. This reduces repetitive manual tasks and concentrates focus on analyzing the reasons for profit/loss changes. The platform has a query function for charts of historical trends leading up to current positions, helping give management a grasp of relevant information. Initiated in the first quarter of 2024, this program was completed in October that year.

(2)New Minimum Capital Requirements for Market Risk: In response to Basel III's new 2025 standardized approach for calculating market risk capital requirements, the Bank cooperated with information units in the self-establishment of a calculation model. The project began in 2023 and went online in December 2024.

(3)Quick GO Investment, Stage 3: Stage 1, providing fund subscription, switching, and redemption functions, was put on line in mid-September 2022. Stage 2, which went online in the end of January 2024, added overseas bond subscription and redemption functions. Stage 3 went online in mid-October 2024, adding basic configuration subscription and increased quotas for fund of funds trading. This has expanded the product categories for online trading, provided customers with quick ordering service, simplified customer transaction processes, and shortened transaction time.

(4)Task-oriented System, Stage 2: Stage 1 of the task-oriented management mechanism went online at the end of November 2023. Stage 2, establishing a financial consultant management mechanism and providing for the flexible setting of workflow steps as well as a better customer management process through the joint team customer management mechanism, thus consummating the customer management process, was put online in the end of March 2024.

(5)Recording by designated wealth management personnel: This is expected to go online in 2025, simplifying operating procedures for business units and facilitating business development. An introduction to digital channel operations will be produced to the digital divide and fulfill the spirit of fair customer treatment.

(6)Establishment of an AI financial assistant (basic configuration): This will be linked with Media Tek's DaVinci platform to give financial management personnel in SKB branches a one-stop solution for searching knowledge bases and product suggestions, thus upgrading the operational efficiency of financial management teams as well as satisfaction with internal/external interaction.

(7)Budgets have been allocated for the past two years for the continuous strengthening of digital product and service processes, for the upgrading of business efficiency, development and deepening of strategic alliance cooperation, and for the provision of vigorous assistance to branches for the digital transition and for the establishment of effective two-way channels of communication. Virtual/physical integration will be strengthened, branch cooperation in joint promotion will be deepened, digital auxiliary sales tools will be provided to help support front-line business, and digital and technical assistance will be used to help branches upgrade their profit momentum.

3. Short-term and Long-term Business Development Plans

(1) Short-term Business Plans

Corporate Banking Business

- The SME Credit Guarantee Fund will be used and the diversified corporate banking product business will be upgraded to build up a complete range of corporate product line services and expand the SME base.

- Localized operations will be deepened, controllable exposure will be enlarged, and customer relations will be leveraged to boost diversification of income.

- Lead bank status for syndicated loans to high-quality customers in Taiwan and abroad will be pursued vigorously to make the SKB the go-to bank for its customers, and customer's operating cash flow businesses will be solicited along with product cross-sales or co-sales to enhance loan and fee income while expanding the Bank's various lines of business.

- The Financial Supervisory Commission's Green Finance 3.0 policy will be implemented, with continuous promotion of renewable and green energy financing; in addition, digital tools will be brought in to heighten customer loyalty.

Consumer Banking Business

- Services to meet customer needs for home loans and on-lending will be developed, the funding needs of the youth group for housing procurement and of high-asset potential customers will be met, and a stable home-loan market share and asset quality will be pursued in line with relevant government regulatory measures.

◆ Market Analysis

- A diverse array of digital application channels will be matched with the sale of a range of credit loan products, and lists of high-quality corporate personnel and internal business opportunities will be developed, so as to upgrade customer quality and quantity; at the same time, credit loan products will be continuously innovated and inclusive financing will be practiced through the implementation of environmental social governance (ESG) plans.

Wealth Management Business

- High-potential customers will be constantly solicited, the number of high-value customers will be boosted, and customer asset scale will be vigorously expanded.

- A diversity of personnel will be acquired through special recruitment projects, and internal personnel and high-performance financial consultants will be guided onto the road to comprehensive career planning and promotion. This will build up a professional team, and will elevate the capacity for energetic action and per capita output value.

- A full range of optimized wealth management services that keep pace with the times will be introduced, with a focus on the customer, in line with the pulse of development in global financial markets; a diverse range of products will be innovated; the financial professionalism of SKB employees will be upgraded; and resources will be integrated to realize synergies, stimulating the overall growth of the wealth management business.

Digital Banking Business

- Deepening of virtual/physical integration to increase customer-acquisition opportunities: The multiple opening, single account function will generate profit by increasing customer product holdings for different product lines, and digital savings accounts matched with a variety of products will heighten the frequency of account use by customers. The development of digital channels for customer groups will constantly be strengthened and a third-party cross-industry alliance strategy matched with the digital operations of bank branches will realize localized digital services, upgrading customer satisfaction while creating an account-usage scenario that enhances customer loyalty. Digital resources will be used to increase the utilization of digital resources by customers while reducing manual work and external collection operations for branches, and cooperation with other holding company subsidiaries and cross-industry alliance members will boost customer-acquisition opportunities.

- Strengthening of customer-segment management: The development of digital products and the iterative optimization of digital platforms matched with digital marketing and segment management will be used to satisfy customers' financial needs, create digital income, and help bank branches upgrade their operating efficiency. Customer life cycle management will be strengthened and diversified task-based marketing will be used to boost customer inducements, encouraging them to experience digital platforms. This will heighten customers' brand loyalty and satisfy their need for quick, convenient, and secure digital services.

- Data first, experience orientation, agility focus: Digital marketing will be upgraded, customers will be attracted through community activation and marketing motivation, and data analysis and precision marketing will be used to boost customer loyalty and the Bank's income.

- Introduction of new technology: Planning will be carried out for the introduction of AI innovation to strengthen digital customer acquisition competitiveness, and new technology will be used to enhance business and operating efficiency while lowering fraud risk.

Credit Card Business

- Continuous development of wealth management customers and reinforcement of branch promotion: Bank branches will be used as the primary promotion channels, high-asset wealth management customers will be locked in, and exclusive rewards and benefits for high-end customers will be implemented. Performance targets for credit card promotion by branches will be established and holding of Infinite cards will be increased.

- Use of cash-back cards as primary products for promotion: Promotion will be strengthened for the cash back card, with a focus outside daily consumption scenarios, to reinforce the user impression and create a situation in which no place is without cash back for mobile payments. A high cash-back ratio will attract new customers to apply and boost the frequency of card use.

- Enhancement of the digital service experience: The card application process will constantly be optimized to realize full digitization of card application, shorten the time needed for application and approval, and reduce application chokepoints. This will continuously improve the user application and convenient digital card use experience.

Trust Business

- All-out efforts will be devoted to the promotion of the real estate trust, old/unsafe building reconstruction financing trust, advance payment trust (including for e-commerce platforms), escrow trust (including for equities trading), employee stock ownership trust, and grantor retained annuity trust business.

- Business publicity and training will be carried out for internal business units and different officer grades to strengthen the trust competence of employees and gain a grasp of potential customer groups.

- Financial holding group synergies will be used in undertaking the custodian bank and book-entry central government securities clearing bank businesses for investment trust fundraising.

(2) Long-term Business Plans

Corporate Banking Business

- Customized products and a diverse range of products and services will be provided and localization of business will be continued so as to continuously develop SME customers with geographic proximity to branches. The Bank will also constantly solicit cash-flow business dealings to enhance the breadth and loyalty of such dealings in an all-out effort to become our customers go-to bank.

- Overseas markets will be developed continuously and international syndicated loans will be undertaken cautiously; cooperation with overseas branches will reinforced constantly, customer sources will be expanded, asset scale will be enlarged, and overseas income will be heightened.

- ESG loan principles will be introduced, Equator Principles will be complied with, and ESG loans will be included in the examination and effective controls of the loan process, thereby fulfilling ESG and sustainable financing.

- Loans to highly controversial industries will be avoided, careful assessment will be made of high-risk and high-carbon-emissions industries, ESG loans will be actively promoted, and the Bank will participate in sustainable-industry and in sustainability-linked loans.

- The integration and division of labor between front and back offices, and reinforcement of the cash-flow platform (GEB upgrading), will boost cross-sales in the derivatives and cash-flow businesses and establish close business dealings with customers.

Wealth Management Business

- In line with the pulse of development of the global financial market, the Bank will provide a diverse array of products, constantly strengthen team professionalism, develop digital platforms, and integrate digital and physical channels to build up a complete range of customer services.

- Financial products with market competitiveness will be developed continuously in order to offer a more complete, more professionalized range of asset-allocation planning services that satisfy the needs of customers at different levels, and the Bank's operating scale will be further expanded through the use of overall marketing and promotion synergies.

- In response to the trend toward a super-ageing society with low birth rates, the Bank will develop professional family trust planners, deepen trust services, and help family businesses achieve the goals of sustainable operation and wealth succession through family trust planning.

- The Bank will continuously develop eldercare financial planning consultants and internationally recognized certified financial planners (CFPs), and will use full-dimensional professional integration and linkage services that provide customers with a more complete range of financial planning to satisfy their diverse needs.

Digital Banking Business

- Management of digital channel customers to upgrade the active account ratio: The management of digital channels will be reinforced to bring new accounts to branches and boost product penetration. Digital marketing and cross-industry cooperation resources will be exchanged to offer customer incentives for use, the "voice of the customer" will be listened to and front-line branches will be afforded paybacks, and digital products and services will be planned out and optimized."

- Use of digital platforms to deepen customer management and increase digital income: Continuous development of the major functions of digital platforms will be carried out to provide customers with a diverse range of convenient digital financial services and play the important role of getting close to customer lives. Market demand will be responded to nimbly, self-transcendence will be continuously facilitated, and stable digital income growth will be promoted.

- Research in AI innovation and reinforcement of digital banking competitiveness: Strengthened training of digital technology personnel, together with the introduction of the DaVinci platform by the holding company and encouragement of employees to understand and use it, will upgrade work efficiency. The continuous exploration of AI technology applications and the digging up of business opportunities deriving from the introduction of AI will reinforce competitiveness in digital banking and further upgrade business and operating efficiency. The Bank will also participate in the establishment of an AI governance system and observe related internal controls systems; it will also seek to cooperate with outside startups in developing business momentum.

Credit Card Business

- Design of data-driven differentiated products: The transaction data and consumption behavior of credit-card customer segments will be analyzed continuously and customers and segments of different levels will be targeted for the introduction of differentiated customized credit-card rewards, satisfying the needs of customers for payments and other future financial services.

- Development of quality acquiring businesses: Card-use venues with a focus on cash-flow will be constantly increased; together with the venues' designated e-payment, this will help them enter the new cashless era of diversified payments. The acquiring businesses will be used to expand corporate cash flow and deepen the Bank's transaction relations.

- Promotion of new types of card-use scenarios and sustainability concepts: New types of consumption scenarios will vigorously be sought out and developed, and humanistic factors will be injected into products; for instance, programs for green consumption, social welfare, and sustainable development. Besides attracting applications from groups that emphasize environmental protection and humanism, this will gradually create the impression that the enterprise places importance on society.

Trust Business

- Cooperation with external channels will be strengthened to boost the number and energy of such channels; this will increase sources of trust cases, and will stimulate the growth of operating income.

- The training of trust personnel will be strengthened and business colleagues will be nurtured so that they all have the professional ability to develop, negotiate, sign contracts, and maintain customers by themselves, thus developing into an outstanding business team.

- Computer system trust and custody business functions will continuously be installed and optimized to strengthen back-office support systems and broaden the asset scale of the trust and custodianship businesses.

Business Plans for 2025

1. Deposit Business

- In combination with localized business cultivation by SKB branches, the SME customer base will be developed with the aim of boosting the Bank's market competitiveness and market share, optimizing the deposit structure, and constantly lowering the cost of deposits.
- Customer business relations will be enhanced and the cultivation of existing customers will be strengthened, good interactive relations will be enhanced, to stimulate the stable development of the deposit business.
- OU digital savings deposits will be constantly promoted to acquire the young customer segment; new customers will be motivated to increase the number of product holdings so as to heighten their loyalty, New accounts and the attraction of deposits will be increased to create wealth management vitality and enhance reinvestment opportunities
- The foreign-currency exchange and deposit module will be continuously developed and optimized to provide customers with a wide range of foreign-currency exchange and deposit services; preferential deposit and exchange programs will be planned in accordance with forex and interest rate trends in order to achieve both cost control and market competitiveness; and preferential programs for New Taiwan dollar/foreign-currency fixed deposits will be introduced in line with consideration of the rhythm of the capital and the Bank's demand for capital while at the same time boosting the amount of deposits and the ratio of demand deposits.
- Relations with high-quality payroll-transfer corporate customers will be strengthened by offering them integrated programs involving customized preferential banking products in accordance with their corporate characteristics; the high-income payroll-transfer customer group will be continuously cultivated; and account-upgrade preference and preferential-interest deposit programs will be offered to retain and increase the number of customers with assets under management, and to motivate them to become part of the Bank's high-asset customer group.
- Omni-U digital Investment securities accounts will be used, through the promotion of convenient online account-opening tools, to accelerate the increase in demand securities deposits and rapidly accumulate the number of customers to heighten the level of demand securities deposits

2. Corporate Banking Business

- In consideration of the characteristics of localized operations, operating efficiency and service quality will be strengthened for existing customers, thereby deeply cultivating the customers and offering them nearby services. Corporate banking units will be constantly increased; there are currently 58 of these, and the corporate banking business is being constantly expanded.
- SME Credit Guarantee Fund loans will be used to lower credit risk and reduce capital consumption. The SME business in the vicinity of SKB branches will be constantly cultivated and expanded, and customers in up- and downstream industrial supply chains will be developed; this will steadily enlarge the Bank's SME base, boost customer loyalty, and expand product dimensionality.
- A complete range of corporate banking product line will be built up, customized services will be offered, and the diversity of business relationships will be increased; Through grasping of customers' core assets and the solicitation of self-liquidating or transactional repayment sources will lower credit risk and boost profit simultaneously.

- The function of the cash management funds-flow platform will be optimized to enhance the customer experience, and cash flow customers will be constantly solicited through the strengthening of cash management services. Transactional financing limits will be planned out, with the use of limits to solicit cash flow business. Customer group duplication will be used to expand the Bank's customer groups.
- The Bank will focus on the cases of lead bank for syndicated loans that offer good income and have good credit ratings, maintain the existing lead-bank loans to seek business opportunities for the refinancing, use debt consolidation for existing customers to package loans from other banks into syndicated loans, and seize opportunities for the refinancing of loans with SKB participation while seeking lead-bank status for those syndicated loans. The aim is to use lead-bank status of syndicated loans to deepen the relationship with high-quality domestic and foreign self-financed customers, thereby increasing loan and processing-fee income by boosting the accounts receivable, trade financing,and other business opportunities.
- The Bank will support corporate sustainable development, use green loans to help guide customer capital into green projects, encourage industries to pursue sustainable development and achieve carbon-reduction targets, and help realize the role and the function of the financial system in promoting the pursuit of sustainable development by society as a whole.

3. Consumer Banking Business

- Optimization of business processes, and enhancement of employee productivity and service quality : The power of technology will be used to optimize processes and data; one-stop services for online application, identity verification, and automatic disbursement of funds will be promoted continuously so that manpower can be replaced by automated equipment and the performance of sales personnel can be upgraded; big-data analysis will be used to create a forecasting model that will provide a marketing list and increase the number of products held by SKB customers; and digital services will be used together with physical branches to deeply cultivate business dealings with customers. In this way, the Bank will constantly manifest its superior service quality and expand the scale of its consumer banking business.
- Creation of a smooth, chokepoint-free digital experience centered on the customer experience: Key business processes will be constantly optimized and improved with a focus on the customer experience, and the applied digital loan -application platform will be expanded; consumer loan products will be repackaged, and products, marketing, and processes will be advanced in tandem; in response to digital trends and the rapid development of financial technology, digital platforms will be used to heighten service efficiency; and new business models will be vigorously developed to facilitate integration into customers' consumption scenarios, satisfy their need for immediate financing, expand the scene coverage of consumer loan products, and provide high-quality and convenient financial services that meet customers' needs.
- Stable operation of the auto-loan business and development of loans through car dealerships: Loans through car dealerships will be continuously developed and the used-car and foreign-currency auto-loan business will be strengthened, and stable expansion of the Bank's business base will be achieved through further development of the new-car market and the vigorous opening of new-car channels. At the same time, the Bank will constantly strengthen the control of business costs and reduce non-performing loans, and will create maximum profits of the bank by using stable operational methods that place equal emphasis on broadening income sources and reducing expenditures.

- Use of mortgage products as a stepping stone to the promotion of other products: Limited resources will be used on key customers in the pursuit of co-marketing income, and mortgage loans will be used as a stepping stone for linkage with other SKB products.
- Focusing on Provision of relatively preferential loan-to-value ratios to purchasers of non-self-use residential properties; Loan policies will be adjusted as necessary to conform to changes in regulations, internal policy directions, and conditions in the real estate market, giving due consideration to both the Bank's capital adequacy and its loan quality.
- Strict review of loan applications and strengthening of credit-risk controls: Borrowers' repayment sources and capability will be reviewed, and high-quality customers will be selected, to reduce non-performing loans. The credit scorecard system will be used to standardize risk controls, enhance business quality and quantity, and reinforce the overall business quality of loan assets.

4. Wealth Management Business

- Flexible product strategy: Product adjustment will be carried out dynamically, and for investment products the focus will be on funds, flexible allocation, and use of a barbell strategy; for insurance products, equal emphasis will be placed on premium and fee income, with inheritance issues as the core.

- Further development of customer segmentation: Customers will be segmented in accordance with their assets, contributions, loyalty, and other dimensions; appropriate customer rights and special offers will be mapped out; a diversified array of rewards and guest talk activities will be used to boost customer contribution and loyalty. The rights of high-asset customers will be reinforced, rewards high-contribution customers will be enhanced, and a range of customer-rewards services will be used to deepen customer relationships. A wealth-management points program will be used to satisfy the needs of different customers and heighten customer loyalty.

- Business management mechanism: Internal control management will be reinforced, management of high-risk financial salespeople will be strengthened, and notification mechanism of investment products of stop-loss and profit will be optimized; the post-investment management and monitoring mechanism will be fully carried out; the district head management mechanism will be set up; the branch resale content and skills will be boosted, the management function of financial supervisors will be enhanced and the optimal management scale will be adjusted.

- Optimization of operating procedures: Customer service officers will take verbal notes in person, simplifying the operating procedures of business units; KYC/KYP adaptation will be adjusted, and more appropriate investment product controls will be adopted for young group, new investors and elderly customers; and verbal note-taking for non-principal protected structured products will be added to carry through with trade confirmation for financial products. The related trading functions of overseas bonds and basic configuration will be added to the Quick Go system, providing customers with more convenient trading services, simplifying trading procedures for customers, and shortening trading time for customers.

5. Digital Banking Business

- Strengthening of digital product design in support of front-line business: With a core focus on the customer experience and with technology as the accelerator, the Bank will continuously optimize digital product services and, with the action-first strategy, will reinforce the experience of mobile banking users so that their needs for enquiry, payment, financial management, and everyday lifestyle benefits will be satisfied at any time and any place, creating warm, accurate digital banking services. Process optimization and customer experience improvement will be constantly carried out, and both application rate of digital services and transaction volume will be increased, through data analysis; feedback from front-line branches will be collected in an effort to establish the effective two-way communication, get close to customer's requirements; and branches will be actively assisted with digital products and services in order to reach their business targets.

- Deepening of customer management and digital innovation to enhance business efficiency: With a customer orientation, equal emphasis will be placed on customer acquisition and in-depth management. Virtual/physical integration will be strengthened and mission-type marketing will be used to acquire customers and stimulate digital trading; customers will be encouraged to experience digital platforms, thereby cultivating customer digital loyalty and enhancing loyalty to the Bank. At the same time, digital products will be constantly replenished and innovative experiences provided to upgrade efficiency. Digital banking and credit card APPs will be integrated this year to boost the customer usage rate and lower maintenance costs. The Quick Go investment system will be developed, upgrading business efficiency and stimulating trading by optimizing the customer ordering experience.

- Development and deepening of cross-industry cooperation: In response to the trend toward digital e-payment, the Bank will actively work in full cooperation with e-payment institutions to offer a full range of integrated e-payment services and will introduce related marketing activities that bring the Bank close to customers' lives and satisfy their financial needs for all kinds of consumption scenarios.

- Integration of group resources and realization of group synergies: With a focus on OU digital deposit accounts, linkage will be established with the products of Shin Kong Financial Holding subsidiaries in order to create multifunction accounts and a single opening of multiple accounts design will increase customer's holding of various product lines, and provide customers with special package-type marketing offers at the same time. This will boost the momentum of marketing and customer acquisition while increasing the holding of various product lines by customers of the financial holding company's subsidiaries. For instance, Shin Kong Bank's mobile banking APP will include a link to Shin Kong Life Insurance asset information, and will provide guidance into banking/securities integration and other cooperative functions of the subsidiaries, making it more convenient for customers to carry out asset management and enabling them to open accounts quickly. Game-like task-based activities will be introduced and subsidiaries will be given special marketing offers to encourage customers to use the Bank's digital platforms for executing trades.

- Digital transformation and personnel deployment: The training and deployment of key personnel of product management, digital marketing, experience design, data analysis, digital technology will be accelerated, and both quality and quantity of digital personnel will be upgraded.

6. Credit Card Business

- Cross-selling cooperation to create win-win value: The Bank will make full use of depositor resources to pinpoint customer groups with good potential, use its own communication media for advertising and promotion, deepen interactive customer relations, expand invitations to apply for credit cards, strengthen customer recognition of the Bank's brand, stimulate the desire for card use, upgrade overall contribution, and work with multiple physical channels (branches, insurance) to develop new customer sources.

- Strengthening of product features to enhance competitiveness: Different types of product attribute will be clearly positioned in accordance with market trends, a precision segmentation strategy will be used to create differentiated products with special features, the management of prime customer groups will be constantly deepened, and star-rated hotel, airport VIP lounge, and international airport pickup services will be provided for holders of elite cards. A differentiated high-end prestige service strategy will be used to strengthen customer loyalty and market competitiveness. For ordinary customer groups, the focus will be on daily-life scenarios in the creation of convenient card-payment procedures that upgrade the volume of effective card use.

- Exclusive customer-group activities and reward systems: Customized promotional activities will be offered for different customer segments, including rewards for overseas card use by tourists and exclusive audiovisual streaming services designed for the youth group. This will bring an overall boosting of customer group management value.

7. Trust Business

- Real estate trust: Development-type real estate financing projects will be coupled with trust to reduce credit risk while strengthening stakeholder protection and complying with market needs; the Bank will also respond to the government's implementation of the policies of urban renewal and the reconstruction of old buildings by actively pursuing the old-building reconstruction and urban renewal trust business so as to boost trust-commission income, loan-interest income, and deposit performance. This will promote trust as the ideal protection platform, and will create maximum income for the Bank.

- Advance payment trust: Issuers will be assisted with the issuance of gift certificates (including electronic gift certificates and prepaid cards) and will carry out the trust management of advance payments in accordance with the regulations, assuring protection for purchasers of deferred-consumption products while increasing the Bank's trust income.

- Real estate escrow trust: This business fills a market demand, and is now a mature and competitive business. To enhance competitiveness, the Bank will develop its own information systems to better handle application, price negotiation, and approval operations for this business. The outstanding functions of these systems will boost the performance of branch business promotion.

- Nursing care and insurance trust: In response to the implementation of the government's Trust 2.0 policy, the Bank will introduce a nursing care trust business which encompasses both nursing care and insurance trust. The main objective of this project is to provide for the real needs of the elderly and disabled for nursing care; the Bank has also planned out standardized procedures, information systems, and standard contracts to help bank branches promote this project and thus burnish the Bank's public-welfare image.

- Employee stock ownership trust: In response to the government's implementation of the Trust 2.0 policy, besides operating the employee stock ownership trust business for employees of Shin Kong Financial Holding Co. subsidiaries the Bank will expand this trust business to comply with the requirements of the authorities in regard to the promotion of employee retirement planning and directions for the development of the trust business.

- Grantor retained annuity trust: The Bank will develop this new multifunction pecuniary trust product, in compliance with the demand for diverse products in financial markets, for high-asset customer groups with a need for estate planning, investment, and tax reduction.

- Custodianship business: The Bank will make use of holding company synergies in undertaking custody of investment-type insurance products and discretionary investments of Shin Kong Life Insurance and of the central government book-entry securities clearing bank, custody of discretionary trust investments referred by the MasterLink Securities Investment Advisory Co. and Shin Kong Investment Trust, and custody of foreign investment funds referred by the MasterLink Securities Corp. The Bank will also strive to expand profit sources by cooperating actively with external channels in soliciting custody of fully fiduciary discretionary investment and central government book-entry securities.

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholder
Taiwan Shin Kong Commercial Bank Co., Ltd.

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

The following are the descriptions of the key audit matters in the audit of the consolidated financial statements of the Group for the year ended December 31, 2024:

Expected Credit Losses of Discounted Loans, Net

As described in Note 13 to the consolidated financial statements, the discounted loans amounted to NT$843,521,298 thousand, which accounted for 64% of total assets as of December 31, 2024, which are material to the consolidated financial statements as a whole. In addition, as stated in Note 5 of the consolidated financial statements, the measurement of expected credit losses for discounted loans involves various financial factors, such as the probability of default and loss given default and required compliance with relevant laws and regulations. Therefore, the expected credit loss for the discounted loans was identified as a key audit matter.

The relevant accounting policies, estimations, assumptions and other information are referred to in Notes 4, 5, 13, 31 and 37 to the consolidated financial statements.

The audit procedures for the expected credit losses of the discounted loans were as follows:

- We obtained an understanding of and tested the internal controls related to the expected credit losses of the discounted and loans of Taiwan Shin Kong Commercial Bank Co., Ltd.
- We sampled from the schedule of the expected credit losses of discounted and loans, assessed by Taiwan Shin Kong Commercial Bank Co., Ltd., and evaluated the feasibility of expected credit losses.
- We obtained an understanding of and tested the key parameters for the expected credit losses of discounted loans (such as the probability of default and the loss given default). We confirmed that the expected credit losses are reasonable and meet the current experience and economic situation.
- We recalculated the appropriated amounts in conformity with the relevant decrees and ordinances of the competent authority.

Other Matter

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Shu-Lin Liu and Yin-Chou Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 19, 2025

Notice to Readers

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

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

TAIWAN SHIN KONG COMMERCIAL BANK CO., LTD. AND SUBSIDIARIES

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

	2024		2023	
ASSETS	**Amount**	**%**	**Amount**	**%**
Cash and cash equivalents (Note 6)	$ 26,309,854	2	$ 37,216,734	3
Placement with central bank and call loans to other banks (Note 7)	82,372,870	6	72,188,468	6
Financial assets at fair value through profit or loss (Note 8)	87,923,519	7	88,945,781	7
Financial assets at fair value through other comprehensive income (Notes 9 and 35)	182,101,473	14	180,811,638	14
Debt investments measured at amortized cost (Notes 10 and 35)	67,211,524	5	60,456,592	5
Bills and bonds purchased under resell agreements (Note 11)	874,248	-	600,000	-
Receivables, net (Notes 12 and 34)	14,660,069	1	13,585,298	1
Discounted and loans, net (Notes 13 and 34)	843,521,298	64	795,749,611	63
Property and equipment, net (Notes 16 and 34)	5,623,456	1	5,839,806	1
Right-of-use assets, net (Notes 17 and 34)	2,372,750	-	2,539,178	-
Investment properties (Note 18)	849,453	-	813,040	-
Intangible assets, net (Note 19)	1,961,211	-	1,944,526	-
Deferred tax assets (Notes 4 and 32)	697,375	-	785,207	-
Other assets, net (Notes 20 and 34)	5,414,058	-	4,202,856	-
TOTAL	$ 1,321,893,158	100	$ 1,265,678,735	100
LIABILITIES AND EQUITY				
Deposits of Central Bank and other banks (Note 21)	$ 14,484,445	1	$ 845,250	-
Financial liabilities at fair value through profit or loss (Note 8)	7,551,327	1	7,382,575	1
Bills and bonds sold under repurchase agreements (Note 22)	10,319,230	1	9,517,255	1
Payables (Note 23)	9,743,297	1	9,445,381	1
Income tax liabilities, current (Notes 4, 32 and 34)	1,099,222	-	1,089,978	-
Deposits and remittances (Notes 24 and 34)	1,121,999,218	85	1,095,372,924	86
Bank debentures (Note 25)	28,200,000	2	28,200,000	2
Other financial liabilities (Note 26)	45,353,467	3	32,570,941	3
Provisions (Notes 27 and 34)	880,816	-	1,270,631	-
Lease liabilities (Notes 17 and 34)	2,493,182	-	2,675,641	-
Deferred tax liabilities (Notes 4 and 32)	460,442	-	460,753	-
Other liabilities (Notes 28 and 34)	1,693,838	-	1,929,952	-
Total liabilities	1,244,278,484	94	1,190,761,281	94
EQUITY (Note 29)				
Common stock				
Capital - common stock	49,815,329	4	49,815,329	4
Capital surplus				
Premium on capital stock	2,516,058	-	2,516,058	-
Other capital reserve	240,207	-	94,063	-
Retained earnings				
Legal reserve	20,619,336	2	18,595,610	1
Special reserve	6,079,251	-	6,070,620	1
Unappropriated retained earnings	7,756,866	1	6,745,751	1
Other equity				
Exchange differences on translating foreign operations	247,438	-	96,571	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	837,983	-	1,043,203	-
Unrealized loss on investments in debit instruments at fair value through other comprehensive income	(10,509,739)	(1)	(10,059,751)	(1)
Gain on property revaluation	11,945	-	-	-
Total equity	77,614,674	6	74,917,454	6
TOTAL	$ 1,321,893,158	100	$ 1,265,678,735	100

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

TAIWAN SHIN KONG COMMERCIAL BANK CO., LTD. AND SUBSIDIARIES

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

	2024		2023		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
INTEREST INCOME (Notes 31 and 34)	$ 31,983,246	149	$ 28,451,085	142	12
INTEREST EXPENSE (Notes 31 and 34)	(17,951,298)	(84)	(15,484,160)	(77)	16
NET INTEREST INCOME	14,031,948	65	12,966,925	65	8
NON-INTEREST INCOME, NET					
Service fee, net (Notes 31 and 34)	4,575,826	21	3,539,465	18	29
Gain on financial assets and liabilities at fair value through profit or loss, net (Note 31)	2,680,714	13	1,566,705	8	71
Realized gain on financial assets at fair value through other comprehensive income, net (Note 31)	802,474	4	725,270	4	11
Foreign exchange (loss) gain	(838,081)	(4)	1,081,628	5	(177)
Impairment loss recognized on assets (Note 31)	(4,648)	-	(3,027)	-	54
Gain on investment properties (Note 18)	19,513	-	10,650	-	83
Other revenue except for interest revenue, net (Note 34)	175,899	1	115,253	-	53
Total non-interest income, net	7,411,697	35	7,035,944	35	5
NET REVENUE	21,443,645	100	20,002,869	100	7
BAD DEBT EXPENSE AND PROVISION FOR LOSSES ON COMMITMENTS AND GUARANTEES (Notes 12, 13, 27 and 31)	(1,301,047)	(6)	(1,112,439)	(5)	17
OPERATING EXPENSES					
Employee benefits expenses (Note 31)	(6,078,778)	(28)	(5,601,393)	(28)	9
Depreciation and amortization expenses (Note 31)	(1,191,950)	(6)	(1,153,224)	(6)	3
General and administrative expenses (Notes 31 and 34)	(3,929,502)	(18)	(3,797,748)	(19)	3
Total operating expenses	(11,200,230)	(52)	(10,552,365)	(53)	6

(Continued)

TAIWAN SHIN KONG COMMERCIAL BANK CO., LTD. AND SUBSIDIARIES

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

	2024		2023		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
CONSOLIDATED INCOME BEFORE INCOME TAX	$ 8,942,368	42	$ 8,338,065	42	7
INCOME TAX EXPENSE (Notes 4 and 32)	(1,726,446)	(8)	(1,546,617)	(8)	12
CONSOLIDATED NET INCOME	7,215,922	34	6,791,448	34	6
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plans (Notes 4 and 27)	158,153	1	(48,149)	-	428
Gain on property revaluation	12,037	-	-	-	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	209,202	1	1,095,256	5	(81)
Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4 and 32)	(31,723)	-	9,630	-	(429)
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations	150,867	-	251	-	60,006
Unrealized (loss) gain on investments in debt instruments at fair value through other comprehensive income	(449,988)	(2)	3,461,050	18	(113)
Other comprehensive income, net of income tax	48,548	-	4,518,038	23	(99)
TOTAL COMPREHENSIVE INCOME	$ 7,264,470	34	$ 11,309,486	57	(36)
NET INCOME ATTRIBUTABLE TO:					
Owner of the Company	$ 7,215,922	34	$ 6,791,448	34	6

(Continued)

TAIWAN SHIN KONG COMMERCIAL BANK CO., LTD. AND SUBSIDIARIES

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

	2024		2023		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owner of the Company	$ 7,264,470	34	$ 11,309,486	57	(36)
EARNINGS PER SHARE (Note 33)					
Basic	$ 1.45		$ 1.36		
Diluted	$ 1.45		$ 1.36		

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

TAIWAN SHIN KONG COMMERCIAL BANK CO., LTD. AND SUBSIDIARIES

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

	Capital Stock	Capital Surplus	
	Ordinary Shares	Premium on Capital Stock	Other
BALANCE, JANUARY 1, 2023	$ 49,815,329	$ 2,516,058	$ 94,063
Appropriations of 2022 earnings			
Legal reserve	-	-	-
Special reserve	-	-	-
Reversal of special reserve	-	-	-
Net income for the year ended December 31, 2023	-	-	-
Other comprehensive income (loss) after tax for the year ended December 31, 2023, net of income tax	-	-	-
Total comprehensive income for the year ended | December 31, 2023	-	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-
BALANCE, DECEMBER 31, 2023	49,815,329	2,516,058	94,063
Appropriations of 2023 earnings			
Legal reserve	-	-	-
Special reserve	-	-	-
Cash dividends	-	-	-
Share-based payment (Note 30)	-	-	146,144
Net income for the year ended December 31, 2024	-	-	-
Other comprehensive income (loss) after tax for the year ended December 31, 2024, net of income tax	-	-	-
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-
BALANCE, DECEMBER 31, 2024	$ 49,815,329	$ 2,516,058	$ 240,207

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

Equity Attributable to Owners of the Company						
Retained Earnings			Other Equity			
Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Instruments at Fair Value Through Other Comprehensive Income	Gain on Property Revaluation	Total Equity
$ 16,713,649	$ 1,433,694	$ 6,518,887	$ 96,320	$(13,580,032)	$ -	$ 63,607,968
1,881,961	-	(1,881,961)	-	-	-	-
-	4,663,532	(4,663,532)	-	-	-	-
-	(26,606)	26,606	-	-	-	-
-	-	6,791,448	-	-	-	6,791,448
-	-	(38,519)	251	4,556,306	-	4,518,038
-	-	6,752,929	251	4,556,306	-	11,309,486
-	-	(7,178)	-	7,178	-	-
18,595,610	6,070,620	6,745,751	96,571	(9,016,548)	-	74,917,454
2,023,726	-	(2,023,726)	-	-	-	-
-	8,631	(8,631)	-	-	-	-
-	-	(4,713,394)	-	-	-	(4,713,394)
-	-	-	-	-	-	146,144
-	-	7,215,922	-	-	-	7,215,922
-	-	126,522	150,867	(240,786)	11,945	48,548
-	-	7,342,444	150,867	(240,786)	11,945	7,264,470
-	-	414,422	-	(414,422)	-	-
$ 20,619,336	$ 6,079,251	$ 7,756,866	$ 247,438	$ (9,671,756)	$ 11,945	$ 77,614,674

TAIWAN SHIN KONG COMMERCIAL BANK CO., LTD. AND SUBSIDIARIES

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

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated income before income tax	$ 8,942,368	$ 8,338,065
Adjustments for:		
Depreciation expenses	943,778	945,533
Amortization expenses	248,172	207,691
Expected credit loss recognized	1,301,047	1,112,439
Gain on financial assets and liabilities at fair value through profit or loss	(2,680,714)	(1,566,705)
Interest expense	17,951,298	15,484,160
Interest income	(31,983,246)	(28,451,085)
Dividend income	(778,594)	(689,452)
Compensation costs of employee share options	146,144	-
Loss on disposal of property and equipment, net	4,870	2,957
Loss on disposal of intangible assets, net	9,311	-
Gain on disposal of financial assets, net	(23,880)	(51,839)
Impairment loss of financial assets	4,648	3,027
Unrealized (gain) loss on foreign currency exchange	(5,371,516)	527,825
Gain on fair value adjustment of investment property	(19,513)	(10,650)
Gain on lease modifications	(7,659)	(749)
Net changes in operating assets and liabilities		
Placement with Central Bank and call loans to other banks	(4,584,992)	(713,955)
Financial assets at fair value through profit or loss	2,124,833	16,378,095
Financial assets at fair value through other comprehensive income	1,963,666	6,454,491
Investment in debt instruments at amortized cost	(5,602,810)	(16,340,438)
Receivables	(1,075,516)	752,550
Discounted and loans	(49,363,441)	(53,115,591)
Other financial assets	2,556	(3,468)
Other assets	(23,791)	(21,774)
Deposits of Central Bank and other banks	13,639,195	521,370
Financial liabilities at fair value through profit or loss	1,729,025	(98,755)
Payables	772,284	(97,951)
Deposits and remittances	26,626,294	22,764,760
Other financial liabilities	12,782,526	12,254,491
Employee benefits provision	(7,059)	(8,359)
Other liabilities	726,533	126,687
Cash used in operations	(11,604,183)	(15,296,630)
Interest received	32,191,851	27,961,213
Dividends received	796,797	689,668
Interest paid	(17,826,205)	(14,915,008)
Income taxes paid	(1,661,404)	(1,604,514)
Net cash generated from (used in) operating activities	1,896,856	(3,165,271)

(Continued)

TAIWAN SHIN KONG COMMERCIAL BANK CO., LTD. AND SUBSIDIARIES

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

	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	$ (276,521)	$ (539,388)
Proceeds from disposal of property and equipment	43	76
Increase in refundable deposits	(1,187,411)	-
Decrease in refundable deposits	-	67,448
Acquisition for intangible assets	(134,283)	(195,612)
Net cash used in investing activities	(1,598,172)	(667,476)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of bank debenture	2,500,000	2,200,000
Repayment of bank debenture	(2,500,000)	(800,000)
Increase in bills and bonds sold under repurchase agreements	801,975	3,282,974
Increase in guarantee deposits received	-	333,519
Decrease in guarantee deposits received	(962,647)	-
Repayment of the principal portion of lease liabilities	(605,919)	(604,544)
Cash dividends distributed	(4,713,394)	-
Net cash (used in) generated from financing activities	(5,479,985)	4,411,949
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	148,079	37
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(5,033,222)	579,239
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	80,704,440	80,125,201
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 75,671,218	$ 80,704,440

Reconciliation of the amounts in the consolidated statements of cash flows with the equivalent items reported in the consolidated balance sheets as of December 31, 2024 and 2023:

	December 31	
	2024	2023
Cash and cash equivalents in consolidated balance sheets	$ 26,309,854	$ 37,216,734
Placement with Central Bank and call loans to other banks qualified for cash and cash equivalents under the definition of IAS 7	48,487,116	42,887,706
Bills and bonds purchased under resell agreements qualified for cash and cash equivalents under the definition of IAS 7	874,248	600,000
Cash and cash equivalents, end of the year	$ 75,671,218	$ 80,704,440

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

TAIWAN SHIN KONG COMMERCIAL BANK CO., LTD. AND SUBSIDIARIES

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

1. GENERAL INFORMATION

On September 23, 1996, the Third Credit Cooperative of Taipei, a credit union, was approved by the Republic of China ("ROC") Ministry of Finance (MOF) under Letter Tai-Tsai-Rong No. 85546025 to reorganize into a commercial bank named Macoto Bank.

Macoto Bank acquired all of the assets and assumed all of the liabilities of the Second Credit Cooperative of Hsinchu, the Eighth Credit Cooperative of Taichung, the Second Credit Cooperative of Chiayi, and the Credit Cooperative of Gang Shang (credit unions) on January 5, 1997, January 1, 1998, August 31, 2001, and September 14, 2001, respectively. The acquisitions were approved by the ROC MOF.

Responding to financial development trend and the government policy to promote financial institutions, Macoto Bank agreed to be acquired by Shin Kong Financial Holding Co., Ltd. by means of share swap in the shareholders' meeting on June 10, 2005. The share swap was completed on October 3, 2005, and Macoto Bank became a wholly-owned subsidiary of Shin Kong Financial Holding Co., Ltd. On October 4, 2005, the board of directors resolved Macoto Bank's merger with Taiwan Shin Kong Commercial Bank Co., Ltd. ("TSKCB"), a wholly-owned subsidiary of Shin Kong Financial Holding Co., Ltd., with Macoto Bank as the surviving entity and Taiwan Shin Kong Commercial Bank Co., Ltd. as the eliminated entity. Macoto Bank issued new shares to exchange TSKCB's total assets and liabilities. For this share swap, Macoto Bank issued 708,727 thousand common shares at the share exchange ratio of 1.5040 common shares of TSKCB for every Macoto Bank share. On December 26, 2005, Macoto Bank obtained approval of the transaction from the Financial Supervisory Commission (FSC). On December 31, 2005, this transaction was completed. At the same time, Macoto Bank was renamed into Taiwan Shin Kong Commercial Bank Co., Ltd. (the "Bank" referred to in these financial statements).

On September 14, 2022, the board of directors of the Bank resolved to merge with Shin Fu Insurance Agency Co., Ltd., a wholly-owned subsidiary, in order to integrate the resources, strengthen management and business synergy. The effective date of this merger was December 30, 2022.

As of December 31, 2024, the Bank had a trust department, a foreign exchange transaction department, an offshore banking branch in Taiwan, 103 domestic branches including a business department and a branch in Hong Kong. The Bank is engaged mainly in financial operations regulated by the Banking Law and others approved by competent authority. The Bank's ultimate parent is Shin Kong Financial Holding Co., Ltd. (SKFHC).

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors and authorized for issue on February 19, 2025.

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

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

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

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note)

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

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

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

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

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

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

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

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

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

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

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

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

2) IFRS 18 "Presentation and Disclosure in Financial Statements"

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

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

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

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

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Statement of Compliance

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

Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments and investment properties which are measured at fair values, and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

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

b. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

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

Classification of Current and Non-current Assets and Liabilities

Accounts included in the Group's financial statements are not classified as current or non-current but are stated in the order of their liquidity. Please see Note 37 for the maturity analysis of assets and liabilities.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries, including structured entities).

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

See Note 15 for detailed information on subsidiaries (including percentages of ownership and main businesses).

Foreign Currencies

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

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

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from 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 cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purposes of presenting consolidated financial statements, the financial statements of the Company's foreign operations (including subsidiaries, associates, joint ventures and branches in other countries) that are prepared using functional currencies which are different from the currency of the Company are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

Bills and Bonds Purchased under Resell Agreements/Bills and Bonds Sold under Repurchase Agreements

A bill and bond purchased under resell agreements/a bill and bond sold under repurchase agreements is considered as a financing transaction if the risk and reward are attributed to the dealer. When a bill or bond is purchased under a resell agreement, its purchase price is listed as "bills and bonds purchased under resell agreements," an asset account. For a bill and bond sold under a repurchase agreement, the selling price is listed as "bill and bond sold under repurchase agreements," a liability account. The difference between the purchase (sale) price under the agreement and the actual sale (purchase) price is recorded as interest income (expense).

Financial Instruments

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

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

Financial assets

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

a. Measurement categories

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

1) Financial assets at FVTPL

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

A financial asset may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition mismatch that would otherwise arise.

Financial assets at FVTPL are subsequently measured at fair value, and remeasurement gains or losses on such financial assets are recognized in profit or loss. Fair value is determined in the manner described in Note 37.

2) Financial assets at amortized cost

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

a) The financial assets are 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 assets 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, are measured at amortized cost, which equals the 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 such a financial asset, except for:

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

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

Cash equivalents include time deposits and certificates of deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

3) Investments in debt instruments at FVTOCI

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

a) The debt instrument is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of such financial assets; and

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

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

4) Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as 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, it will be transferred to retained earnings.

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

b. Impairment of financial assets

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

The Group always recognizes lifetime expected credit losses (ECLs) for discounted and loans and receivables. For all other financial instruments, the Group recognizes lifetime 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.

According to the Regulations, the Group determines the allowance for credit losses by evaluating the recoverability of the outstanding balances of various loans at the balance sheet date. The allowances for doubtful accounts are determined based on management's evaluation of the collectability of individual accounts, the borrowers'/clients' financial condition and payment history. Such doubtful accounts are classified into: Normal loans, need attention, less likely to be collectible in full, difficult to collect, and uncollectible accounts and the allowance should be provided at 1%, 2%, 10%, 50% and 100%, respectively, of the loan amount to meet the minimum requirement. Under the rule No. 10010006830 issued by the Banking Bureau of the FSC, additional allowance for doubtful accounts should be provided at 1% of the total loans. Under the rule No. 10300329440 issued by the Banking Bureau of the FSC, allowance for doubtful accounts should be provided at 1.5% or more of the loans for real estate. Furthermore, the FSC stipulated that banks should make at least 1.5% provisions each for sound credit assets in Mainland China (pertaining to short-term advance for trade finance) and loans for house purchases, renovations and constructions, respectively.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts 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 the carrying amounts of such financial assets are not reduced.

c. Derecognition of financial assets

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

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of 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.

Financial liabilities

a. Subsequent measurement

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

1) Financial liabilities at FVTPL

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

Financial liabilities held for trading are stated at fair value, and any remeasurement gains or losses on such financial liabilities are recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest or dividends paid on such financial liabilities.

Fair value is determined in the manner described in Note 37.

2) Financial guarantee contracts

Financial guarantee contracts issued by the Group, if not designated as at FVTPL, are subsequently measured at the higher of:

a) The amount of the loss allowance reflecting expected credit losses; and

b) The amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with the revenue recognition policies.

Besides subsequently measuring financial guarantee contracts at the higher of the abovementioned amounts as IFRS assessment result, the assessment is also performed in accordance with the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans" as regulatory assessment result. The higher adequacy provision between above IFRS and regulatory assessment results is recognized.

b. Derecognition of financial liabilities

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

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including those which are linked to interest rate, exchange rate, index and good.

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 is within the scope of IFRS 9 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 within the scope of IFRS 9 (e.g., 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.

Modification of financial instruments

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

Property and Equipment

Property and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

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

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

Investment Properties

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

Freehold investment properties are measured initially at cost, including transaction costs. All investment properties are subsequently measured using the fair value model. Changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

For a transfer of classification from investment properties to property and equipment, the deemed cost of an item of property for subsequent accounting is its fair value at the commencement of owner-occupation.

For a transfer of classification from property and equipment to investment properties at the end of owner-occupation, any difference between the fair value of an item of property at the transfer date and its previous carrying amount is recognized in other comprehensive income and accumulated in gain on property revaluation under other equity that will be transferred directly to retained earnings when the asset is derecognized.

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

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 are expected to benefit from the synergies of the combination.

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

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

Intangible Assets

a. Intangible assets acquired separately

   Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. The residual value of an intangible asset with a finite useful life shall be assumed to be zero unless the Group expects to dispose of the intangible asset before the end of its economic life.

b. Derecognition of intangible assets

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

Impairment of Property and Equipment, Right-of-use Asset and 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 asset and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

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

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

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs 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, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

Provisions

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

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.

Revenue Recognition

a. Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis with reference to the principal outstanding and at the effective interest rate applicable.

b. Service fee income

The transaction price of service fee revenue which were generated from loans and other services will be allocated to performance obligations when performance obligations are identified from a contract with a customer by the Group, and revenue will be recognized when performance obligations are satisfied. For contracts where the period between the date on which the Group transfers a service to a customer and the date on which the customer pays for that service is one year or less, the Group does not adjust the promised amount of consideration for the effects of a significant financing component.

Leases

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

a. The Group as lessor

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

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

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

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

b. The Group as lessee

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

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

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

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, 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 lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, 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 assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

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

Employee Benefits

a. Short-term employee benefits

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

b. Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under 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 liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses, effect of changes to the asset ceiling and return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

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

Share-based Payment Arrangements

Shin Kong Financial Holding Co., Ltd. (SKFHC) who is the Group's ultimate parent granted to the Group's employees' equity-settled share-based payment arrangements.

The fair value at the grant date of the equity-settled share-based payments 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 options. The expense is recognized in full at the grant date if the grants are vested immediately.

At the end of each reporting period, the Group revises its estimate of the number of equity instruments that are expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - employee share options.

Taxation

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

a. Current tax

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

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

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

b. Deferred tax

   Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. If a temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit, and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences, the resulting deferred tax asset or liability is not recognized. In addition, a deferred tax liability is not recognized on taxable temporary differences arising from the initial recognition of goodwill.

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

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

c. Current and deferred taxes

Current and deferred taxes 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 and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact of climate change and related government policies and regulations on the cash flow projection, growth rates, discount rates, profitability and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Estimated impairment of financial assets

The provision for impairment of notes discounted and loans, receivables, investments in debt instruments and financial guarantee contracts is based on assumptions on probability of default and loss given default. The Group uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. Where the actual future cash inflows are less than expected, a material impairment loss may arise. Furthermore, the estimate of the probability of default is subject to greater uncertainties due to the impact on credit risk of financial assets arising from the uncertain impact and volatility in financial markets.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2024	**2023**
Cash	$ 7,455,443	$ 5,512,137
Notes and checks for clearing	823,050	2,143,877
Deposits in other banks	18,031,361	29,560,720
	$ 26,309,854	$ 37,216,734

Cash and cash equivalents as of December 31, 2024 and 2023 as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated balance sheets as follows:

	December 31	
	2024	2023
Cash and cash equivalents in consolidated balance sheets	$ 26,309,854	$ 37,216,734
Placement with Central Bank and call loans to other banks qualified for cash and cash equivalents under the definition of IAS 7	48,487,116	42,887,706
Bills and bonds purchased under resell agreements qualified for cash and cash equivalents under the definition of IAS 7	874,248	600,000
	$ 75,671,218	$ 80,704,440

7. PLACEMENT WITH CENTRAL BANK AND CALL LOANS TO OTHER BANKS

	December 31	
	2024	2023
Reserve - checking account	$ 24,077,435	$ 16,747,688
Reserve - demand account	33,885,754	29,300,762
Inter-bank clearing account	2,023,889	4,000,587
Reserve - foreign currency deposit	208,159	179,800
Call loans to other banks	22,177,633	21,959,631
	$ 82,372,870	$ 72,188,468

The monthly depositary reserves to be deposited in the Central Bank of the Republic of China are calculated by applying the legally required reserve ratio to the monthly average balance of the reserve accounts. These reserve accounts can be used any time but the demand account can only be used for monthly deposit reserve adjustments.

8. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2024	2023
Financial assets at FVTPL		
Derivative financial assets (not under hedge accounting)		
Foreign exchange swap contracts	$ 951,597	$ 2,229,960
Foreign exchange options	65,563	200,166
Foreign exchange forward contracts	17,832	32,541
Interest rate swap contracts	6,865,176	4,672,378
Equity swap contracts	-	1,042
Non-derivative financial assets		
Negotiable certificates of deposits	69,544,433	67,796,112
Commercial paper	2,362,595	4,514,358
Beneficiary certificates	105,232	-
Stocks listed on domestic markets	515,651	140,967
Corporate bonds	-	1,697,994
Government bonds	-	1,701,331
Foreign bonds	4,561,729	2,876,527

(Continued)

	December 31	
	2024	2023
Hybrid financial assets		
Foreign structured notes	$ 1,095,705	$ 1,029,544
Convertible corporate bonds	1,838,006	2,052,861
	$ 87,923,519	$ 88,945,781
Financial liabilities at FVTPL		
Derivative financial liabilities (not under hedge accounting)		
Foreign exchange swap contracts	$ 587,358	$ 2,373,699
Foreign exchange options	64,639	203,702
Foreign exchange forward contracts	2,894	340,202
Interest rate swap contracts	6,896,436	4,463,930
Equity swap contracts	-	1,042
	$ 7,551,327	$ 7,382,575

(Concluded)

At the end of the reporting period, outstanding derivative financial instruments not under hedge accounting were as follows:

	Contract Amount (Notional Principals in Thousand Dollars)	
	2024	2023
Foreign exchange swap contracts	$ 75,930,363	$ 221,906,719
Interest rate swap contracts	196,570,552	170,785,654
Foreign exchange forward contracts	2,137,077	38,535,320
Foreign exchange options	851,683	2,146,536
Equity swap contracts	-	32,370

The Bank is engaged in derivative financial instruments in order to accommodate customer demand, arrangement of foreign currencies and risk management.

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2024	2023
Financial assets at FVTOCI		
Investments in debt instruments	$ 176,884,381	$ 175,074,974
Investments in equity instruments	5,217,092	5,736,664
	$ 182,101,473	$ 180,811,638

a. Investments in debt instruments at FVTOCI

	December 31	
	2024	2023
Government bonds	$ 69,353,524	$ 70,267,413
Corporate bonds	30,722,166	36,606,178
Foreign bonds	71,366,571	62,732,928
Bank debentures	5,442,120	5,468,455
	$ 176,884,381	$ 175,074,974

The foreign bonds denominated in foreign currencies are as below:

Unit: In Thousands of Foreign Currencies

	December 31	
	2024	2023
USD	$ 1,999,196	$ 1,788,338
AUD	95,102	94,541
CNY	298,080	727,473
ZAR	1,245,893	1,358,875
NZD	19,452	18,542

1) The Group recognized gain on reversal of impairment loss of $2,470 thousand and $3,026 thousand in 2024 and 2023, after assessing the expected credit losses of the investments in debt instruments at FVTOCI.

2) Refer to Note 37 for information relating to their credit risk management and impairment.

3) Investments in debt instruments at FVTOCI - government bonds are pledged to guarantee deposits for the foreign exchange transaction clearing business, etc. Please refer to Note 35.

b. Investments in equity instruments at FVTOCI

	December 31	
	2024	2023
Listed shares	$ 3,975,174	$ 4,633,133
Unlisted shares	915,677	803,842
Real estate investment trusts	326,241	299,689
	$ 5,217,092	$ 5,736,664

These investments in equity instruments are not held for trading. Instead, they are held for strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI.

10. DEBT INVESTMENTS MEASURED AT AMORTIZED COST

	December 31	
	2024	2023
Corporate bonds	$ 29,824,708	$ 19,870,321
Bank debentures	900,000	1,400,000
Foreign bonds	19,846,147	20,689,715
Government bonds	7,621,842	8,410,547
Negotiable certificates of deposits	9,040,000	10,100,000
	67,232,697	60,470,583
Less: Allowance for impairment loss	(21,173)	(13,991)
	$ 67,211,524	$ 60,456,592

The foreign bonds denominated in foreign currencies are as below:

Unit: In Thousands of Foreign Currencies

	December 31	
	2024	2023
ZAR	$ 1,199,709	$ 799,692
USD	512,621	588,194
AUD	45,936	60,993

a. Upon assessment of expected credit losses of debt instruments measured at amortized cost in 2024 and 2023, impairment loss of $(7,118) thousand and $(6,053) thousand were recognized by the Group.

b. Refer to Note 37 for information relating to their credit risk management and impairment.

c. Debt investments measured at amortized cost - government bonds are pledged to guarantee deposits for the foreign exchange transaction clearing business, etc. Please refer to Note 35.

11. BILLS AND BONDS PURCHASED UNDER RESELL AGREEMENTS

	December 31	
	2024	2023
Negotiable certificates of deposits	$ 874,248	$ 600,000

The post-year resell price and interest rate are as follows:

	December 31	
	2023	2022
Negotiable certificates of deposits	$ 875,043	$ 600,253
	1.64%-1.66%	1.40%

12. RECEIVABLES, NET

	December 31	
	2024	2023
Accounts receivable	$ 10,090,622	$ 9,844,371
Settlements receivable	62,809	15,154
Acceptance notes receivable	1,027,425	172,942
Interests receivable	3,206,547	3,229,488
Receivable of derivative products	514,387	604,332
Other receivables	653,652	641,720
	15,555,442	14,508,007
Less: Allowance for doubtful accounts	(895,373)	(922,709)
	$ 14,660,069	$ 13,585,298

a. The following table shows the reconciliation of the total carrying amount of receivables and other financial assets (including deposits in other banks, placement with Central Bank and call loans to other banks, bills and bonds purchased under resell agreements, receivables, delinquent receivables not arising from loans and refundable deposits):

2024

Items	12-month Expected Credit Losses	Lifetime Expected Credit Losses (Collective Assessment)	Lifetime Expected Credit Losses (Individual Assessment)	Lifetime Expected Credit Losses (Non-purchased or Originated Credit-impaired Financial Asset)	Total
Balance, beginning of year	$ 119,279,432	$ 601,894	$ -	$ 856,671	$ 120,737,997
Reconciliation arising from financial instruments recognized at the beginning of year:					
Transfer to lifetime expected credit losses	(222,968)	261,845	-	(16,898)	21,979
Transfer to credit-impaired financial asset	(34,424)	(17,506)	-	83,677	31,747
Transfer to 12-month expected credit losses	93,515	(111,386)	-	(255)	(18,126)
Derecognition in current period	(19,812,086)	(115,427)	-	(8,561)	(19,936,074)
Purchased or originated credit-impaired financial asset	22,566,819	458,116	10,812	5,272	23,041,019
Write offs	-	-	-	(197,865)	(197,865)
Exchange influence or others	(1,785,485)	(34,414)	-	74,110	(1,745,789)
Balance, end of year	$ 120,084,803	$ 1,043,122	$ 10,812	$ 796,151	$ 121,934,888

2023

Items	12-month Expected Credit Losses	Lifetime Expected Credit Losses (Collective Assessment)	Lifetime Expected Credit Losses (Individual Assessment)	Lifetime Expected Credit Losses (Non-purchased or Originated Credit-impaired Financial Asset)	Total
Balance, beginning of year	$ 116,522,541	$ 582,620	$ -	$ 2,065,472	$ 119,170,633
Reconciliation arising from financial instruments recognized at the beginning of year:					
Transfer to lifetime expected credit losses	(184,072)	223,246	-	(14,129)	25,045
Transfer to credit-impaired financial asset	(20,575)	(10,648)	-	43,812	12,589
Transfer to 12-month expected credit losses	95,635	(94,236)	-	(310)	1,089
Derecognition in current period	(14,518,684)	(94,313)	-	(31,994)	(14,644,991)
Purchased or originated credit-impaired financial asset	16,073,555	32,586	-	36,779	16,142,920
Write offs	-	-	-	(1,287,415)	(1,287,415)
Exchange influence or others	1,311,032	(37,361)	-	44,456	1,318,127
Balance, end of year	$ 119,279,432	$ 601,894	$ -	$ 856,671	$ 120,737,997

b. The following table shows the reconciliation of the allowance for doubtful accounts of receivables and other financial assets:

2024

Items	12-month Expected Credit Losses	Lifetime Expected Credit Losses (Collective Assessment)	12-month Expected Credit Losses (Individual Assessment)	Lifetime Expected Credit Losses (Non-purchased or Originated Credit-impaired Financial Asset)	Lifetime Expected Credit Losses (Purchased or Originated Credit-impaired Financial Asset)	Impairment Loss Accessed Under IFRS 9	Difference of Impairment under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans	Total
Balance, beginning of year	$ 25,035	$ 29,039	$ -	$ 688,478	$ -	$ 742,552	$ 197,241	$ 939,793
Reconciliation arising from financial instruments recognized at the beginning of year:								
Transfer to lifetime expected credit losses	(409)	9,989	-	(11,475)	-	(1,895)	-	(1,895)
Transfer to credit-impaired financial asset	(67)	(695)	-	39,081	-	38,319	-	38,319
Transfer to 12-month expected credit losses	177	(3,125)	-	(121)	-	(3,069)	-	(3,069)
Derecognition in current period	(4,789)	(3,445)	-	(16,684)	-	(24,918)	-	(24,918)
Purchased or originated credit-impaired financial asset	6,401	33,824	108	3,848	-	44,181	-	44,181
Difference of impairment under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans	-	-	-	-	-	-	10,794	10,794
Write offs	-	-	-	(197,865)	-	(197,865)	-	(197,865)
Recovery of write offs	-	-	-	145,006	-	145,006	-	145,006
Exchange influence or others	135	(2,661)	-	(38,316)	-	(40,842)	-	(40,842)
Balance, end of year	$ 26,483	$ 62,926	$ 108	$ 611,952	$ -	$ 701,469	$ 208,035	$ 909,504

2023

Items	12-month Expected Credit Losses	Lifetime Expected Credit Losses (Collective Assessment)	12-month Expected Credit Losses (Individual Assessment)	Lifetime Expected Credit Losses (Non-purchased or Originated Credit-impaired Financial Asset)	Lifetime Expected Credit Losses (Purchased or Originated Credit-impaired Financial Asset)	Impairment Loss Accessed Under IFRS 9	Difference of Impairment under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans	Total
Balance, beginning of year	$ 34,727	$ 28,749	$ -	$ 1,630,011	$ -	$ 1,693,487	$ 141,405	$ 1,834,892
Reconciliation arising from financial instruments recognized at the beginning of year:								
Transfer to lifetime expected credit losses	(350)	8,561	-	(9,498)	-	(1,287)	-	(1,287)
Transfer to credit-impaired financial asset	(41)	(449)	-	25,367	-	24,877	-	24,877
Transfer to 12-month expected credit losses	174	(2,521)	-	(142)	-	(2,489)	-	(2,489)
Derecognition in current period	(12,525)	(2,978)	-	(11,970)	-	(27,473)	-	(27,473)
Purchased or originated credit-impaired financial asset	2,991	402	-	31,014	-	34,407	-	34,407
Difference of impairment under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans	-	-	-	-	-	-	55,836	55,836
Write offs	-	-	-	(1,287,415)	-	(1,287,415)	-	(1,287,415)
Recovery of write offs	-	-	-	102,903	-	102,903	-	102,903
Exchange influence or others	59	(2,725)	-	208,208	-	205,542	-	205,542
Balance, end of year	$ 25,035	$ 29,039	$ -	$ 688,478	$ -	$ 742,552	$ 197,241	$ 939,793

13. DISCOUNTED AND LOANS, NET

	December 31 2024	December 31 2023
Discounted and export negotiated	$ 231,316	$ 279,320
Accounts receivable financing	45,032	66,176
Short-term loans	149,354,887	128,845,749
Medium-term loans	293,245,619	268,700,787
Long-term loans	411,086,583	407,587,869
Delinquent loans	268,257	476,873
	854,231,694	805,956,774
Premium or discount	278,253	217,686
Less: Allowance for doubtful accounts	(10,988,649)	(10,424,849)
	$ 843,521,298	$ 795,749,611

a. As of December 31, 2024 and 2023, the delinquent loans on which interest ceased to accrue amounted to $268,257 thousand and $476,873 thousand, respectively.

b. The following table shows the reconciliation of the total carrying amount of discounted and loans:

2024

Items	12-month Expected Credit Losses	Lifetime Expected Credit Losses (Collective Assessment)	Lifetime Expected Credit Losses (Individual Assessment)	Lifetime Expected Credit Losses (Non-purchased or Originated Credit-impaired Financial Asset)	Total
Balance, beginning of year	$ 763,536,287	$ 38,363,060	$ -	$ 4,275,113	$ 806,174,460
Reconciliation arising from financial instruments recognized at the beginning of year:					
Transfer to lifetime expected credit losses	(14,266,374)	13,569,399	-	(64,237)	(761,212)
Transfer to credit-impaired financial asset	(1,249,797)	(434,446)	-	1,640,801	(43,442)
Transfer to 12-month expected credit losses	6,712,077	(6,784,368)	-	(37,960)	(110,251)
Derecognition in current period	(273,503,291)	(19,985,304)	-	(773,957)	(294,262,552)
Purchased or originated credit-impaired financial asset	352,688,998	20,530,378	968,261	162,988	374,350,625
Write offs	(769,160)	(613,365)	-	(681,479)	(2,064,004)
Exchange influence or others	(27,957,036)	(699,130)	-	(117,511)	(28,773,677)
Balance, end of year	$ 805,191,704	$ 43,946,224	$ 968,261	$ 4,403,758	$ 854,509,947

2023

Items	12-month Expected Credit Losses	Lifetime Expected Credit Losses (Collective Assessment)	Lifetime Expected Credit Losses (Individual Assessment)	Lifetime Expected Credit Losses (Non-purchased or Originated Credit-impaired Financial Asset)	Total
Balance, beginning of year	$ 707,669,450	$ 40,348,622	$ -	$ 5,343,927	$ 753,361,999
Reconciliation arising from financial instruments recognized at the beginning of year:					
Transfer to lifetime expected credit losses	(10,686,950)	10,490,139	-	(76,102)	(272,913)
Transfer to credit-impaired financial asset	(437,581)	(255,541)	-	668,659	(24,463)
Transfer to 12-month expected credit losses	7,518,614	(7,459,071)	-	(26,571)	32,972
Derecognition in current period	(257,346,657)	(18,394,277)	-	(1,090,862)	(276,831,796)
Purchased or originated credit-impaired financial asset	345,879,000	14,637,153	-	286,347	360,802,500
Write offs	(225,524)	(285,885)	-	(703,431)	(1,214,840)
Exchange influence or others	(28,834,065)	(718,080)	-	(126,854)	(29,678,999)
Balance, end of year	$ 763,536,287	$ 38,363,060	$ -	$ 4,275,113	$ 806,174,460

c. The following table shows the reconciliation of the allowance for doubtful accounts of discounted and loans:

2024

Items	12-month Expected Credit Losses	Lifetime Expected Credit Losses (Collective Assessment)	12-month Expected Credit Losses (Individual Assessment)	Lifetime Expected Credit Losses (Non-purchased or Originated Credit-impaired Financial Asset)	Lifetime Expected Credit Losses (Purchased or Originated Credit-impaired Financial Asset)	Impairment Loss Accessed Under IFRS 9	Difference of Impairment under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans	Total
Balance, beginning of year	$ 1,865,650	$ 1,488,319	$ -	$ 1,304,507	$ -	$ 4,658,476	$ 5,766,373	$ 10,424,849
Reconciliation arising from financial instruments recognized at the beginning of year:								
Transfer to lifetime expected credit losses	(37,425)	465,198	-	(14,207)	-	413,566	-	413,566
Transfer to credit-impaired financial asset	(2,592)	(18,944)	-	379,419	-	357,883	-	357,883
Transfer to 12-month expected credit losses	17,722	(271,178)	-	(7,915)	-	(261,371)	-	(261,371)
Derecognition in current period	(1,050,816)	(762,135)	-	(254,849)	-	(2,067,800)	-	(2,067,800)
Purchased or originated credit-impaired financial asset	1,263,189	736,850	9,683	59,555	-	2,069,277	-	2,069,277
Difference of impairment under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans	-	-	-	-	-	-	480,388	480,388
Write offs	(1,857)	(35,410)	-	(2,026,737)	-	(2,064,004)	-	(2,064,004)
Recovery of write offs	-	-	-	1,036,050	-	1,036,050	-	1,036,050
Exchange influence or others	(45,998)	(51,733)	-	697,542	-	599,811	-	599,811
Balance, end of year	$ 2,007,873	$ 1,550,967	$ 9,683	$ 1,173,365	$ -	$ 4,741,888	$ 6,246,761	$ 10,988,649

2023

Items	12-month Expected Credit Losses	Lifetime Expected Credit Losses (Collective Assessment)	12-month Expected Credit Losses (Individual Assessment)	Lifetime Expected Credit Losses (Non-purchased or Originated Credit-impaired Financial Asset)	Lifetime Expected Credit Losses (Purchased or Originated Credit-impaired Financial Asset)	Impairment Loss Accessed Under IFRS 9	Difference of Impairment under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans	Total
Balance, beginning of year	$ 1,791,330	$ 1,563,624	$ -	$ 1,599,367	$ -	$ 4,954,321	$ 5,066,373	$ 10,020,694
Reconciliation arising from financial instruments recognized at the beginning of year:								
Transfer to lifetime expected credit losses	(26,272)	412,598	-	(17,438)	-	368,888	-	368,888
Transfer to credit-impaired financial asset	(729)	(11,775)	-	180,161	-	167,657	-	167,657
Transfer to 12-month expected credit losses	22,194	(297,984)	-	(7,398)	-	(283,188)	-	(283,188)
Derecognition in current period	(1,013,399)	(693,120)	-	(195,149)	-	(1,901,668)	-	(1,901,668)
Purchased or originated credit-impaired financial asset	1,180,810	636,740	-	134,167	-	1,951,717	-	1,951,717
Difference of impairment under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans	-	-	-	-	-	-	700,000	700,000
Write offs	(507)	(14,737)	-	(1,199,596)	-	(1,214,840)	-	(1,214,840)
Recovery of write offs	-	-	-	911,710	-	911,710	-	911,710
Exchange influence or others	(87,777)	(107,027)	-	(101,317)	-	(296,121)	-	(296,121)
Balance, end of year	$ 1,865,650	$ 1,488,319	$ -	$ 1,304,507	$ -	$ 4,658,476	$ 5,766,373	$ 10,424,849

14. OTHER FINANCIAL ASSETS, NET

	December 31	
	2024	2023
Other delinquent receivables, net	$ -	$ -

Details of other delinquent receivables, net are summarized as follows:

	December 31	
	2024	2023
Delinquent receivables not arising from loans	$ 14,131	$ 17,084
Less: Allowance for doubtful accounts (Note 12)	(14,131)	(17,084)
	$ -	$ -

15. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Those subsidiaries included in the consolidated entities as of December 31, 2024 and 2023 were as follows:

Investor	Investee	Nature of Activities	Proportion of Ownership December 31 2024	Proportion of Ownership December 31 2023
The Bank	Shin Kong Marketing Consultant Co., Ltd.	Marketing and consultant	100	100

b. Subsidiaries excluded from the consolidated financial statements: None.

16. PROPERTY AND EQUIPMENT, NET

	December 31 2024	December 31 2023
Land	$ 3,901,658	$ 3,906,521
Building and structures	897,715	939,650
Computers	430,182	352,036
Transportations	4,675	6,065
Other equipment	350,393	438,485
Construction in process	38,833	197,049
	$ 5,623,456	$ 5,839,806

2024	Land	Building and Structures	Computers	Transpor-tations	Other Equipment	Construction in Progress	Total
Cost							
Balance, beginning of year	$ 3,906,521	$ 2,030,920	$ 788,502	$ 8,340	$ 1,624,284	$ 197,049	$ 8,555,616
Additions	-	-	132,142	-	70,243	74,136	276,521
Disposals	-	-	(113,533)	-	(59,121)	-	(172,654)
Reclassifications	(4,863)	-	95,743	-	-	(233,102)	(142,222)
Exchange influence	-	-	1,789	-	2,004	750	4,543
Balance, end of year	3,901,658	2,030,920	904,643	8,340	1,637,410	38,833	8,521,804
Accumulated depreciation							
Balance, beginning of year	-	1,091,270	436,466	2,275	1,185,799	-	2,715,810
Additions	-	41,935	150,330	1,390	153,521	-	347,176
Disposals	-	-	(113,492)	-	(54,249)	-	(167,741)
Exchange influence	-	-	1,157	-	1,946	-	3,103
Balance, end of year	-	1,133,205	474,461	3,665	1,287,017	-	2,898,348
Balance, end of year, net	$ 3,901,658	$ 897,715	$ 430,182	$ 4,675	$ 350,393	$ 38,833	$ 5,623,456

	2023						
	Land	Building and Structures	Computers	Transpor-tations	Other Equipment	Construction in Progress	Total
Cost							
Balance, beginning of year	$ 3,906,521	$ 2,030,920	$ 743,325	$ 5,930	$ 1,516,094	$ 292,420	$ 8,495,210
Additions	-	-	147,994	2,410	138,850	250,134	539,388
Disposals	-	-	(137,581)	-	(43,531)	-	(181,112)
Reclassifications	-	-	34,734	-	12,902	(345,515)	(297,879)
Exchange influence	-	-	30	-	(31)	10	9
Balance, end of year	3,906,521	2,030,920	788,502	8,340	1,624,284	197,049	8,555,616
Accumulated depreciation							
Balance, beginning of year	-	1,049,336	434,321	986	1,059,187	-	2,543,830
Additions	-	41,934	136,954	1,289	170,043	-	350,220
Disposals	-	-	(134,760)	-	(43,319)	-	(178,079)
Exchange influence	-	-	(49)	-	(112)	-	(161)
Balance, end of year	-	1,091,270	436,466	2,275	1,185,799	-	2,715,810
Balance, end of year, net	$ 3,906,521	$ 939,650	$ 352,036	$ 6,065	$ 438,485	$ 197,049	$ 5,839,806

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

Building and structures	
Buildings	40-55 years
Decorating project	2-10 years
Computers	2-5 years
Transportations	2-5 years
Other equipment	2-5 years

17. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2024	2023
Carrying amounts		
Land and Buildings	$ 2,308,050	$ 2,468,643
Other	64,700	70,535
	$ 2,372,750	$ 2,539,178

	For the Year Ended December 31	
	2024	2023
Balance, beginning of year	$ 2,539,178	$ 2,835,891
Additions	545,179	361,615
Disposals	(135,832)	(22,665)
Remeasurement	10,701	(40,650)
Depreciation expenses		
Land and buildings	(573,121)	(572,545)
Other	(23,481)	(22,768)
	(596,602)	(595,313)
Effects of foreign currency exchange differences	10,126	300
Balance, end of year	$ 2,372,750	$ 2,539,178

The Group did not have significant sublease or impairment of right-of-use assets for the years ended December 31, 2024 and 2023.

b. Lease liabilities

	December 31	
	2024	**2023**
Carrying amount	$ 2,493,182	$ 2,675,641

As of December 31, 2024 and 2023, the discount rate for lease liabilities were both 0.75%-2.56%.

c. Material leasing activities and terms

The Group leases domestic offices, ATM sites and business cars with lease terms of 1 to 7 years. The lease contract specifies that lease payments will be adjusted on the basis of changes in market rental rates. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms.

d. Other lease information

Lease arrangements under operating leases for the leasing of investment properties are set out in Note 18.

	For the Year Ended December 31	
	2024	**2023**
Expenses relating to recognition exemption and not required for mandatory application	$ 182,480	$ 181,839
Total cash outflow for leases	$ (828,470)	$ (831,875)

The Group leases certain land and buildings which qualify as short-term leases and certain office equipment which qualify as low-value asset leases; the related variable lease payments are not included in the measurement of lease liabilities and lease intangible assets which are not required for mandatory application. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

As of December 31, 2024 and 2023, the amount of refundable deposits for operating lease was $248,481 thousand and $250,888 thousand, respectively.

18. INVESTMENT PROPERTIES

a. Investment properties measured at fair value

	2024		
	Land	Building and Structures	Total
January 1, 2024	$ 667,642	$ 145,398	$ 813,040
Transferred from property and equipment	16,393	507	16,900
Gain on changes in fair value of investment properties	20,678	(1,165)	19,513
December 31, 2024	$ 704,713	$ 144,740	$ 849,453
January 1, 2023	$ 657,654	$ 144,736	$ 802,390
Gain on changes in fair value of investment properties	9,988	662	10,650
December 31, 2023	$ 667,642	$ 145,398	$ 813,040

The valuation of the investment property of TSKCB was performed by the appraiser Hong-Yuan Wang, Jian-Hao Huang, and Wei-Chih Wang of Shang-shang Real Estate Appraiser Firm in Taiwan in accordance with the rules for assessment of fair value on a recurring basis of the Technical Rules for Real Estate Valuation with valuation dates on December 31, 2024 and 2023, respectively.

As office buildings have market liquidity and their rent levels are similar to comparable properties in neighboring areas, their fair values have been mainly determined using the comparison approach and income approach.

Net rental income is based on current market practices, assuming an annual rent increase of between 0% to 1.5% when extrapolating the total income of the underlying property, excluding losses as a result of idle and other reasons and related operations costs.

According to the R.O.C. Real Estate Appraisers Association Gazette No. 5, the house tax is determined based on the reference table of current house values assessed for each city/county to estimate the total current house value assessed. House tax is calculated based on the tax rates stipulated in the House Tax Act and the actual payment data.

Land value tax is based on the changes in the announced land values of the underlying property in the past years and the actual payment data, to further extrapolate the announced land value in the future.

In accordance with the R.O.C. Real Estate Appraisers Association Gazette No. 5, the replacement allowance for significant renovation costs is calculated based on 0.5% to 1.5% of construction costs and is amortized over its estimated useful life of 20 years.

The main inputs used are as follows. If the direct capitalization rate or the overall capital interest rate decreased, the fair value will increase.

	December 31	
	2024	2023
Direct capitalization rate	1.81%-3.73%	1.80%-3.73%
Overall capital interest rate	1.86%-3.30%	1.77%-3.14%

The second type of residential area, the third type of residential area and buildings have exceeded the residential areas that can be developed on land, and because the buildings have exceeded the economic and durable years, and the market has fewer homogeneous products, the buildings on the ground are not the most effective basis of valuation. Therefore, their fair values are determined by the method of land development analysis and comparison approach. The important assumptions are as follows. If estimated total sales increase, rate of return or overall capital interest rate decreases, the fair value will increase.

	December 31	
	2024	2023
Estimated total sales	$ 1,287,530	$ 1,246,000
Rate of return	12%-14%	12%-14%
Overall capital interest rate	2.90%-4.23%	2.76%-4.02%

All investment properties owned by the Group are leased out under operating leases, and the lease term is 5 to 10 years. At the end of the lease period, the lessee has no preferential rights to purchase the properties.

As of December 31, 2024 and 2023, the guarantee deposits received by the Group due to operating lease contracts was $3,227 thousand and $2,891 thousand, respectively.

b. The movements in the fair value of investment properties within Level 3 of the hierarchy

The Group measured investment properties subsequently using the fair value model. The movements in the fair value of investment properties within Level 3 of the hierarchy were as follows:

	For the Year Ended December 31	
	2024	2023
Balance at January 1	$ 813,040	$ 802,390
Transferred from property and equipment	16,900	-
Recognized in profit or loss gain arising from the change in fair value of investment properties	19,513	10,650
Balance at December 31	$ 849,453	$ 813,040

The maturity analysis of lease payments receivable under operating leases of investment properties as of December 31, 2024 and 2023 was as follows:

	December 31	
	2024	2023
Year 1	$ 14,346	$ 13,060
Year 2	9,829	10,991
Year 3	4,536	6,925
Year 4	3,369	1,692
Year 5	1,973	638
Year 6 onwards	1,830	-
	$ 35,883	$ 33,306

19. INTANGIBLE ASSETS, NET

	December 31	
	2024	2023
Goodwill	$ 1,243,924	$ 1,243,924
Computer software	717,287	700,602
	$ 1,961,211	$ 1,944,526

The excess of purchase price (cash) over net asset was recognized as goodwill. As of December 31, 2024, no impairment loss should be charged.

Movements of computer software were as follows:

	For the Year Ended December 31	
	2024	2023
Balance, beginning of year	$ 700,602	$ 414,822
Additions	134,283	195,612
Disposals	(9,311)	-
Amortization	(248,172)	(207,691)
Reclassification	137,359	297,879
Exchange influence	2,526	(20)
Balance, ending of year	$ 717,287	$ 700,602

20. OTHER ASSETS, NET

	December 31	
	2024	2023
Refundable deposits	$ 5,139,335	$ 3,951,924
Prepayments	274,723	250,932
Collateral assumed, net	-	-
	$ 5,414,058	$ 4,202,856

As of December 31, 2024 and 2023, the refundable deposit held for trading financial instruments amounted to $4,601,626 thousand and $3,377,131 thousand, respectively.

As of December 31, 2024 and 2023, collateral assumed, net consisted of the following:

	December 31	
	2024	2023
Land	$ 111,790	$ 111,790
Buildings	992	992
Less: Allowance for collaterals assumed	(112,782)	(112,782)
	$ -	$ -

21. DEPOSITS OF CENTRAL BANK AND OTHER BANKS

	December 31	
	2024	2023
Call loans from banks	$ 2,130,765	$ 461,025
Postal deposits transferred	313,602	313,602
Deposits of other banks	12,040,078	70,623
	$ 14,484,445	$ 845,250

22. BILLS AND BONDS SOLD UNDER REPURCHASE AGREEMENTS

	December 31	
	2024	2023
Government bonds	$ 5,324,194	$ -
Foreign bonds	4,995,036	9,517,255
	$ 10,319,230	$ 9,517,255

The post-year repurchase price and interest rate are as follows:

	December 31	
	2024	2023
Government bonds	$ 5,344,360	$ -
Foreign bonds	5,039,104	9,640,673
	$ 10,383,464	$ 9,640,673
	1.50%-4.78%	4.50%-5.78%

The foreign bonds are denominated in foreign currency:

Unit: In Thousands of Foreign Currencies

	December 31	
	2024	2023
USD	$ 146,617	$ 299,539
AUD	9,257	14,805

23. PAYABLES

	December 31 2024	December 31 2023
Notes and checks in clearing	$ 823,050	$ 2,143,877
Bankers' acceptances	1,027,425	172,942
Accrued expenses	3,147,364	2,874,651
Interests payable	2,290,440	2,165,346
Receipts under custody	918,931	357,372
Pending settlement payable	97,995	697,457
Accounts payable	409,858	125,954
Interbank clearing payable	408,665	356,909
Other payables	619,569	550,873
	$ 9,743,297	$ 9,445,381

24. DEPOSITS AND REMITTANCES

	December 31 2024	December 31 2023
Savings account deposits	$ 501,219,608	$ 496,453,655
Time deposits	399,018,463	398,099,948
Demand deposits	186,224,594	173,857,691
Checking account deposits	7,734,315	8,175,235
Negotiable certificates of deposit	27,646,500	18,696,100
Remittances outstanding	155,738	90,295
	$ 1,121,999,218	$ 1,095,372,924

25. BANK DEBENTURES

	December 31 2024	December 31 2023
Senior financial debenture	$ 1,000,000	$ 1,000,000
Secondary financial debenture	27,200,000	27,200,000
	$ 28,200,000	$ 28,200,000

The Bank issued second secondary financial debenture on December 15, 2014, which was approved under ruling reference No. 10300114440 issued by the Banking Bureau of the FSC on April 30, 2014. Details of the financial debenture issuance are summarized as follows:

a. Total approved principal: $5,000,000 thousand.

b. Principal issued: $2,500,000 thousand.

c. Denomination: $10,000 thousand, issued at par.

d. Period: 10 years with maturity on December 15, 2024.

e. Nominal interest rate: Fixed interest rate, 2.10%.

f. Repayment: The financial debenture will be paid on the maturity date.

g. The interest will be paid annually from the issuance date.

The Bank issued first secondary financial debenture on January 29, 2016, which was approved under ruling reference No. 10400308600 issued by the Banking Bureau of the FSC on December 22, 2015. Details of the financial debenture issuance are summarized as follows:

a. Total approved principal: $3,000,000 thousand.

b. Principal issued: $3,000,000 thousand.

c. Denomination: $10,000 thousand, issued at par.

d. Period: Debenture I: 7 years with maturity on January 29, 2023; Debenture II: 10 years with maturity on January 29, 2026.

e. Nominal interest rate: Principal issued $800,000 thousand and fixed interest rate 1.60% for Debenture I; Principal issued $2,200,000 thousand and fixed interest rate 1.80% for Debenture II.

f. Repayment: The financial debenture will be paid on the maturity date.

g. The interest will be paid annually from the issuance date.

The Bank issued first no due date non-cumulative secondary financial debenture on March 30, 2018, which was approved under ruling reference No. 10600186530 issued by the Banking Bureau of the FSC on August 7, 2017. Details of the financial debenture issuance are summarized as follows:

a. Total approved principal: $2,500,000 thousand.

b. Principal issued: $2,500,000 thousand.

c. Denomination: $10,000 thousand, issued at par.

d. Period: No due date.

e. Nominal interest rate: Fixed interest rate, 3.4%.

f. Early redemption terms: After the third month of the fifth anniversary year from the grant date, if the Bank's capital adequacy ratio after redemption will meet the minimum requirement of the authorities and the authorities approve the application of the Bank, the Bank may redeem the debenture at face value plus interest accrued.

g. The interest will be paid annually from the issuance date.

The Bank issued second secondary financial debenture on June 28, 2018, which was approved under ruling reference No. 10600186530 issued by the Banking Bureau of the FSC on August 7, 2017. Details of the financial debenture issuance are summarized as follows:

a. Total approved principal: $2,500,000 thousand.

b. Principal issued: $2,500,000 thousand.

c. Denomination: $10,000 thousand, issued at par.

d. Period: 10 years with maturity on June 28, 2028.

e. Nominal interest rate: Fixed interest rate, 1.62%.

f. Repayment: The financial debenture will be paid on the maturity date.

g. The interest will be paid annually from the issuance date.

The Bank issued first no due date non-cumulative secondary financial debenture on June 21, 2019, which was approved under ruling reference No. 10802068560 issued by the Banking Bureau of the FSC on May 1, 2019. Details of the financial debenture issuance are summarized as follows:

a. Total approved principal: $6,500,000 thousand.

b. Principal issued: $4,500,000 thousand.

c. Denomination: $10,000 thousand, issued at par.

d. Period: No due date.

e. Nominal interest rate: Fixed interest rate, 2.20%.

f. Early redemption terms: After the third month of the fifth anniversary year from the grant date, if the Bank's capital adequacy ratio after redemption will meet the minimum requirement of the authorities and the authorities approve the application of the Bank, the Bank may redeem the debenture at face value plus interest accrued.

g. The interest will be paid annually from the issuance date.

The Bank issued first no due date non-cumulative secondary financial debenture on June 23, 2020, which was approved under ruling reference No. 1090209311 issued by the Banking Bureau of the FSC on April 30, 2020. Details of the financial debenture issuance are summarized as follows:

a. Total approved principal: $3,000,000 thousand.

b. Principal issued: $3,000,000 thousand.

c. Denomination: $10,000 thousand, issued at par.

d. Period: No due date.

e. Nominal interest rate: Fixed interest rate, 1.70%.

f. Early redemption terms: After the third month of the fifth anniversary year from the grant date, if the Bank's capital adequacy ratio after redemption will meet the minimum requirement of the authorities and the authorities approve the application of the Bank, the Bank may redeem the debenture at face value plus interest accrued.

g. The interest will be paid annually from the issuance date.

The Bank issued second secondary financial debenture on December 16, 2020, which was approved under ruling reference No. 1090228036 issued by the Banking Bureau of the FSC on October 28, 2020. Details of the financial debenture issuance are summarized as follows:

a. Total approved principal: $5,000,000 thousand.

b. Principal issued: $3,000,000 thousand.

c. Denomination: $10,000 thousand, issued at par.

d. Period: No due date.

e. Nominal interest rate: Fixed interest rate, 1.70%.

f. Early redemption terms: After the third month of the fifth anniversary year from the grant date, if the Bank's capital adequacy ratio after redemption will meet the minimum requirement of the authorities and the authorities approve the application of the Bank, the Bank may redeem the debenture at face value plus interest accrued.

g. The interest will be paid annually from the issuance date.

The Bank issued third secondary financial debenture on December 23, 2020, which was approved under ruling reference No. 1090228036 issued by the Banking Bureau of the FSC on October 28, 2020. Details of the financial debenture issuance are summarized as follows:

a. Total approved principal: $5,000,000 thousand.

b. Principal issued: $2,000,000 thousand.

c. Denomination: $10,000 thousand, issued at par.

d. Period: 10 years with maturity on December 23, 2030.

e. Nominal interest rate: Fixed interest rate, 0.75%.

f. Repayment: The financial debenture will be paid on the maturity date.

g. The interest will be paid annually from the issuance date.

The Bank issued first senior unsecured financial debenture on June 23, 2021, which was approved under ruling reference No. 1100209942 issued by the Banking Bureau of the FSC on May 6, 2021. Details of the financial debenture issuance are summarized as follows:

a. Total approved principal: $1,000,000 thousand.

b. Principal issued: $1,000,000 thousand.

c. Denomination: $10,000 thousand, issued at par.

d. Period: 5 years with maturity on June 23, 2026.

e. Nominal interest rate: Fixed interest rate, 0.50%.

f. Repayment: The financial debenture will be paid on the maturity date.

g. The interest will be paid annually from the issuance date.

The Bank issued first no due date non-cumulative secondary financial debenture on July 27, 2022, which was approved under ruling reference No. 1110211371 issued by the Banking Bureau of the FSC on May 24, 2022. Details of the financial debenture issuance are summarized as follows:

a. Total approved principal: $5,000,000 thousand.
b. Principal issued: $2,800,000 thousand.
c. Denomination: $10,000 thousand, issued at par.
d. Period: No due date.
e. Nominal interest rate: Fixed interest rate, 3.50%.
f. Early redemption terms: After the third month of the fifth anniversary year from the grant date, if the Bank's capital adequacy ratio after redemption will meet the minimum requirement of the authorities and the authorities approve the application of the Bank, the Bank may redeem the debenture at face value plus interest accrued.
g. The interest will be paid annually from the issuance date.

The Bank issued first no due date non-cumulative secondary financial debenture on April 17, 2023, which was approved under ruling reference No. 1110211371 issued by the Banking Bureau of the FSC on May 24, 2022. Details of the financial debenture issuance are summarized as follows:

a. Total approved principal: $5,000,000 thousand.
b. Principal issued: $2,200,000 thousand.
c. Denomination: $10,000 thousand, issued at par.
d. Period: No due date.
e. Nominal interest rate: Fixed interest rate, 4.00%.
f. Early redemption terms: After the third month of the fifth anniversary year from the grant date, if the Bank's capital adequacy ratio after redemption will meet the minimum requirement of the authorities and the authorities approve the application of the Bank, the Bank may redeem the debenture at face value plus interest accrued.
g. The interest will be paid annually from the issuance date.

The Bank issued first secondary unsecured financial debenture on May 7, 2024, which was approved under ruling reference No. 1120212291 issued by the Banking Bureau of the FSC on May 9, 2023. Details of the financial debenture issuance are summarized as follows:

a. Total approved principal: $3,000,000 thousand.
b. Principal issued: $2,500,000 thousand.
c. Denomination: $10,000 thousand, issued at par.
d. Period: Debenture I: 7 years with maturity on May 7, 2031; Debenture II: 10 years with maturity on May 7, 2034.

e. Nominal interest rate: Principal issued $790,000 thousand and fixed interest rate 2.70% for Debenture I; Principal issued $1,710,000 thousand and fixed interest rate 3.00% for Debenture II.

f. Repayment: The financial debenture will be paid on the maturity date.

g. The interest will be paid annually from the issuance date.

26. OTHER FINANCIAL LIABILITIES

	December 31	
	2024	2023
Structured commodity principal	$ 45,353,467	$ 32,570,941

As of December 31, 2024 and 2023, structured products are "foreign currency-interest rate," "foreign currency-stock equity," "foreign currency-exchange rate," "foreign currency-interest rate and foreign currency-exchange rate," and which pay interest in accordance with the linked indicator in the contractual provisions.

27. PROVISIONS

	December 31	
	2024	2023
Retirement benefit plans	$ 145,742	$ 310,954
Guarantee reserve	678,683	904,841
Loan commitments reserve	56,391	54,836
	$ 880,816	$ 1,270,631

a. Retirement benefit plans

1) Defined contribution plans

The Group 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.

2) Defined benefit plans

The defined benefit plan adopted by the Group in accordance with the Labor Standards Law is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Group contributes amounts equal to 2% 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 Group 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 Group 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 Group has no right to influence the investment policy and strategy.

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

	December 31	
	2024	2023
Present value of the defined benefit obligations	$ 1,721,001	$ 1,853,595
Fair value of plan assets	(1,575,259)	(1,542,641)
Deficit	145,742	310,954
Net defined benefit liability	$ 145,742	$ 310,954

Movements in net defined benefit liability were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability
Balance at January 1, 2023	$ 1,899,877	$ (1,628,713)	$ 271,164
Service cost			
Current service cost	12,357	-	12,357
Past service cost	4,147	-	4,147
Interest expense (income)	28,405	(24,548)	3,857
Recognized in profit or loss	44,909	(24,548)	20,361
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(8,801)	(8,801)
Actuarial loss - experience adjustments	13,004	-	13,004
Actuarial loss - changes in financial assumptions	43,946	-	43,946
Recognized in other comprehensive income	56,950	(8,801)	48,149
Transferred from Shin Fu Insurance Agency Co., Ltd. (principal)	-	(4,183)	(4,183)
Transferred from Shin Fu Insurance Agency Co., Ltd. (interest)	-	(71)	(71)
Contributions from the employer	-	(19,524)	(19,524)
Benefits paid	(148,141)	143,199	(4,942)
Balance at December 31, 2023	1,853,595	(1,542,641)	310,954
Service cost			
Current service cost	7,755	-	7,755
Past service cost	515	-	515
Interest expense (income)	23,153	(19,396)	3,757
Recognized in profit or loss	31,423	(19,396)	12,027
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(119,046)	(119,046)
Actuarial gain - changes in financial assumptions	(40,016)	-	(40,016)
Actuarial loss - experience adjustments	909	-	909
Recognized in other comprehensive income	(39,107)	(119,046)	(158,153)

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability
Contributions from the employer	$ -	$ (19,086)	$ (19,086)
Benefits paid	(124,910)	124,910	-
Balance at December 31, 2024	$ 1,721,001	$ (1,575,259)	$ 145,742

(Concluded)

Through the defined benefit plans under the Labor Standards Law, the Group 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 or corporate 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 plan's 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:

	Discount Rate(s)	Expected Rate(s) of Salary Increase
For the year ended December 31, 2024		
Taiwan Shin Kong Commercial Bank	1.50%	3.00%
Shin Kong Marketing Consultant Co., Ltd.	1.50%	2.50%
For the year ended December 31, 2023		
Taiwan Shin Kong Commercial Bank	1.25%	3.30%
Shin Kong Marketing Consultant Co., Ltd.	1.13%	2.25%

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

	December 31	
	2024	2023
Discount rate(s)		
0.5% increase	$ (76,546)	$ (86,956)
0.5% decrease	$ 81,527	$ 92,936
Expected rate(s) of salary increase		
0.5% increase	$ 78,730	$ 89,541
0.5% decrease	$ (74,707)	$ (84,690)

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

	December 31	
	2024	2023
The expected contributions to the plans for the next year	$ 19,659	$ 20,110
The average duration of the defined benefit obligation	6.5-9.2 years	7.6-9.7 years

b. Guarantee reserve

Movements of guarantee reserve were as follows:

	For the Year Ended December 31	
	2024	2023
Balance beginning of year	$ 904,841	$ 792,189
(Reversal of provision) provision	(226,521)	112,705
Exchange influence	363	(53)
Balance, ending of year	$ 678,683	$ 904,841

(Reversal of provision) provision is recognized under bad debt expense and provision for losses on commitments and guarantees.

c. Movements of loan commitments reserve were as follows:

	For the Year Ended December 31	
	2024	2023
Balance beginning of year	$ 54,836	$ 53,366
Provision	600	1,479
Exchange influence	955	(9)
Balance, ending of year	$ 56,391	$ 54,836

Provision is recognized under bad debt expense and provision for losses on commitments and guarantees.

28. OTHER LIABILITIES

	December 31 2024	December 31 2023
Advance receipts	$ 1,522,618	$ 796,085
Guarantee deposits received	171,220	1,133,867
	$ 1,693,838	$ 1,929,952

29. EQUITY

	December 31 2024	December 31 2023
Common stock	$ 49,815,329	$ 49,815,329
Capital surplus	2,756,265	2,610,121
Retained earnings	34,455,453	31,411,981
Other equity	(9,412,373)	(8,919,977)
	$ 77,614,674	$ 74,917,454

Common Stock

As of December 31, 2024, the Bank has authorized and issued common stocks totaling $49,815,329 thousand, divided into 4,981,533 thousand common shares (including the non-publicly traded stocks totaling 724,669 thousand common shares) at $10 par value.

Capital Surplus

	December 31 2024	December 31 2023
Premium on capital stock	$ 2,516,058	$ 2,516,058
Others	240,207	94,063
	$ 2,756,265	$ 2,610,121

The capital surplus from shares issued in excess of par (additional paid-in capital from issuance of common shares, conversion of bonds, treasury stock transactions and arising from the excess of the consideration received over the carrying amount of the subsidiaries' net assets during disposal or acquisition) and donations may be used to offset a deficit; in addition, when the Bank has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital (limited to a certain percentage of the Bank's paid-in capital and once a year).

The capital surplus from long-term investments, employee stock options and conversion options may not be used for any purpose. The capital surplus from executive employee stock options and employee stock options which are reserved from issuance of common stock for cash may be used to offset a deficit.

Earnings Distribution and Dividend Policy

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

a. Deducted any deficit of prior years;
b. Paid all outstanding taxes;

c. Set aside 30% of remaining earnings as legal reserve;

d. Set aside any special reserve or retained earnings allocated at its option;

e. Allocated shareholders' dividends.

For the Bank's Articles of Incorporation on the distribution of employees' compensation, refer to Note 31.

When the ratio of equity capital and risky assets fails to meet the standards of competent authority, the distribution of surplus by cash or other property shall be restricted or prohibited by the relevant regulations of the competent authority.

The Banking Act provides that, before the balance of the reserve reaches the aggregate par value of the outstanding capital stock, above allocation should not exceed 15% of the aggregate par value of the outstanding capital stock of the Bank.

The Bank meets the requirements for setting aside legal reserve under the Company Act; thus, the restrictions are not applicable.

Taiwan Shin Kong Commercial Bank is a wholly-owned subsidiary of Shin Kong Financial Holding Co., Ltd. To comply with the parent company's legal capital adequacy ratio, strategy, and to strengthen its market position, integrate its diversified business operation, the Bank has adopted the "Residual Dividend Policy".

Under this policy, cash dividends may not be declared less than 10% of the total stock dividends and cash dividends.

The appropriations of earnings for 2023 and 2022 which have been approved by the Bank's board of directors (on behalf of the shareholders' meeting) on March 20, 2024 and April 19, 2023, respectively, were as follows:

	For the Year Ended December 31			
	2023		2022	
	Earnings Distribution	Dividend Per Share (In dollars)	Earnings Distribution	Dividend Per Share (In dollars)
Provision of legal reserve	$ 2,023,726		$ 1,881,961	
Provision of special reserve	8,631		4,636,926	
Cash dividend	4,713,394	$ 0.95	-	$ -

Related information associated with the earnings appropriation approved by the Bank's board of directors (on behalf of shareholders' meeting) is available at the Market Observation Post System website of the Taiwan Stock Exchange.

Special Reserve

	December 31	
	2024	2023
The trading losses reserve (a)	$ 60,508	$ 60,508
Provision of special reserve due to unrealized loss on investment in financial instruments (b)	5,849,196	5,849,196
The initial application of fair value model to investment properties (c)	169,547	160,916
	$ 6,079,251	$ 6,070,620

a. Under Rule No. 11202709871 issued by the FSC on April 24, 2023, the trading losses reserve after tax shall be transferred to a special reserve, and the handling of the special reserve after transfer shall be subject to the rule.

b. Under Order No. 1090150022 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs". If there is subsequent reversal of debits to other equity items, the Bank may distribute the reversed debit amounts as dividends.

c. Under Order No. 10310000140 issued by the FSC, on the initial application of the fair value model to measure investment properties, the Bank appropriated to a special reserve an amount equal to the net increase arising from fair value measurement and which was subsequently transferred to retained earnings. The additional special reserve should be appropriated from subsequent net increases in fair value. The amount appropriated may be reversed to the extent that the cumulative net increases in fair value decreased or on the disposal of investment properties. If investment properties were reclassified to property and equipment, the associated special reserve would be reversed in accordance with the subsequent depreciation expense of property and equipment.

Others Equity Items

a. Exchange differences on translating foreign operations

	For the Year Ended December 31	
	2024	2023
Balance, beginning of year	$ 96,571	$ 96,320
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	150,867	251
Other comprehensive income recognized for the year	150,867	251
Balance, ending of year	$ 247,438	$ 96,571

b. Unrealized valuation gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2024	2023
Balance, beginning of year	$ (9,016,548)	$ (13,580,032)
Recognized for the year		
Unrealized evaluation gain (loss)		
Debt instruments	(447,751)	3,463,850
Equity instruments	209,202	1,095,256
Net remeasurement of loss allowance	(2,237)	(2,800)
Other comprehensive income (loss) recognized for the year	(240,786)	4,556,306
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal	(414,422)	7,178
Balance, ending of year	$ (9,671,756)	$ (9,016,548)

c. Gain on property revaluation

	For the Year Ended December 31	
	2024	2023
Balance, beginning of year	$ -	$ -
Recognized for the year		
Gain on property revaluation	12,037	-
Income tax related to gain on property revaluation	(92)	-
Other comprehensive income recognized for the year	11,945	-
Balance, ending of year	$ 11,945	$ -

30. SHARE-BASED PAYMENT ARRANGEMENTS

The parent company retains 15% of shares as provision for subscription by qualified employees when there is the issuance of ordinary shares for cash. On July 4, 2024, the parent company granted to the Bank and Shin Kong Marketing Consultant Co., Ltd. 67,700 thousand options and 1,392 thousand options of ordinary shares. Each option entitles the holder with the right to subscribe for one ordinary share of the Corporation. The market value on the grant date was $10.4152 per share. The options were granted at an exercise price of $8.30. The fair value was $2.1152 per share.

Compensation costs recognized were $146,144 thousand for the year ended December 31, 2024.

31. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations had been arrived at after charging or crediting:

Net Interest Income

	For the Year Ended December 31	
	2024	**2023**
Interest income		
Discounted and loans	$ 25,295,805	$ 22,649,147
Placement with Central Bank and call loans to other banks	1,471,769	1,337,685
Investment in securities	4,493,254	3,845,331
Others	722,418	618,922
	31,983,246	28,451,085
Interest expense		
Deposits	16,910,920	14,560,210
Financial debentures	670,492	599,255
Others	369,886	324,695
	17,951,298	15,484,160
	$ 14,031,948	$ 12,966,925

Service Fee, Net

	For the Year Ended December 31	
	2024	**2023**
Service fee income		
Fiducial business	$ 121,404	$ 95,480
Banks and insurance	1,585,427	1,158,223
Bond fund	1,305,891	869,238
Giving credit	822,391	861,817
Credit cards	1,574,179	1,497,324
Electronic payment	1,585	1,220
Others	784,596	614,324
	6,195,473	5,097,626
Service fee expense		
Credit cards	1,216,723	1,189,573
Others	402,924	368,588
	1,619,647	1,558,161
	$ 4,575,826	$ 3,539,465

The Group opened electronic payments business in 2016 in accordance with the approval under ruling reference No. 10400136150 issued by the Banking Bureau of the FSC on September 24, 2015. According to No. 4 of the Regulations Governing the Organization and Administration of Sinking Fund Established by Electronic Payment Institutions, the Group has to allocate at least $2,000 thousand to the sinking fund account (SFA). In subsequent years, the Group has to allocate to the SFA amount based on a fixed percentage of the sum of service fee revenue, interest revenue generated from sinking fund and other revenue every year. Also, the allocation needs to be completed by May every year. As stated above, the Group had allocated $2,006 thousand and $2,005 thousand to SFA as of December 31, 2024 and 2023, respectively. The electronic service fee revenues were $1,585 thousand and $1,220 thousand for the years ended December 31, 2024 and 2023, respectively. The interest revenue and other revenue were both zero for the years ended December 31, 2024 and 2023.

Gain on Financial Assets and Liabilities at Fair Value through Profit or Loss, Net

	For the Year Ended December 31	
	2024	2023
Realized profit and loss		
Bonds	$ 423,648	$ 390,814
Derivative financial instrument	990,304	109,387
Negotiable certificate of deposits	783,621	741,471
Commercial paper	166,792	106,589
Stock	61,576	306,256
Others	490	1,977
	2,426,431	1,656,494
Valuation		
Bonds	254,739	530,658
Derivative financial instrument	(8,944)	(630,677)
Commercial paper	(1,870)	4,571
Stock	10,144	5,659
Others	214	-
	254,283	(89,789)
	$ 2,680,714	$ 1,566,705

Realized profit and loss on financial assets and liabilities at fair value through profit or loss, net includes disposal gain of $1,312,508 thousand and $586,534 thousand, interest income of $1,096,052 thousand and $1,053,939 thousand, and dividend revenue of $17,871 thousand and $16,021 thousand, for the years ended December 31, 2024 and 2023, respectively.

Realized Gain on Financial Assets at Fair Value through Other Comprehensive Income

	For the Year Ended December 31	
	2024	2023
Dividend and bonus	$ 778,594	$ 673,431
Gain on disposal - bonds	23,880	51,839
	$ 802,474	$ 725,270

Impairment Loss on Financial Assets

	For the Year Ended December 31	
	2024	2023
Debts instrument at FVTOCI reversal of impairment loss	$ 2,470	$ 3,026
Debt investments measured at amortized cost impairment loss	(7,118)	(6,053)
	$ (4,648)	$ (3,027)

Bad Debt Expense and Provision for Losses on Commitments and Guarantees

	For the Year Ended December 31	
	2024	2023
(Reversal of provision) provision for bad debt expense - receivables	$ (12,780)	$ 291,123
Provision for bad debt expense - discounted and loans	1,539,748	707,132
(Reversal of provision) provision for guarantee reserve	(226,521)	112,705
Provision for loan commitments reserve	600	1,479
	$ 1,301,047	$ 1,112,439

Employee Benefits Expenses

	For the Year Ended December 31	
	2024	2023
Salaries	$ 5,273,409	$ 4,811,232
Labor and health insurance	363,423	355,225
Pension expense	190,334	203,898
Other employee benefits expenses	251,612	231,038
	$ 6,078,778	$ 5,601,393

Employees' Compensation

In compliance with the Articles of Incorporation, the Bank distributes employees' compensation at the rate of 1% of net profit before income tax and employees' compensation. For the years ended December 31, 2024 and 2023, the employees' compensation was $89,708 thousand and $84,000 thousand, respectively.

The employees' compensation for the years ended December 31, 2023 and 2022, which were approved by the Bank's board of directors on February 21, 2024 and March 29, 2023, respectively, are as follows:

	For the Year Ended December 31	
	2023	2022
	Employees' Compensation	Employees' Compensation
Amounts approved in the board of directors' meeting	$ 84,000	$ 83,726
Amounts recognized in the annual financial statements	84,000	83,726
	$ -	$ -

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

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

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

Depreciation and Amortization Expenses

	For the Year Ended December 31	
	2024	2023
Property and equipment	$ 347,176	$ 350,220
Right-of-use assets	596,602	595,313
Intangible assets	248,172	207,691
	$ 1,191,950	$ 1,153,224

General and Administrative Expenses

	For the Year Ended December 31	
	2024	2023
Taxes	$ 1,421,167	$ 1,252,311
Rental	182,480	181,839
Insurance	409,403	373,860
Advertisement	296,530	353,874
Repair and maintenance	341,782	328,176
Postage	170,562	177,021
Professional service	149,158	185,318
Others	958,420	945,349
	$ 3,929,502	$ 3,797,748

32. INCOME TAXES RELATING TO CONTINUING OPERATIONS

Income Tax Recognized in Profit or Loss

The major components of income tax expense are as follows:

	For the Year Ended December 31	
	2024	2023
Current tax		
In respect of the current period	$ 1,670,180	$ 1,566,982
Adjustments for prior year	468	192
	1,670,648	1,567,174
Deferred tax		
In respect of the current period	55,798	(20,557)
Income tax expense recognized in profit or loss	$ 1,726,446	$ 1,546,617

A 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	$ 8,942,368	$ 8,338,065
Income tax expense calculated at the statutory rate	$ 1,788,474	$ 1,667,613
Tax-exempt income	(106,781)	(127,398)
Nondeductible expenses in determining taxable income	(4,552)	(10,658)
Adjustments for prior year	468	192
Others	48,837	16,868
Income tax expense recognized in profit or loss	$ 1,726,446	$ 1,546,617

Income Tax Recognized in Other Comprehensive Income

	For the Year Ended December 31	
	2024	2023
Deferred income tax		
Actuarial (gain) loss on defined benefit plan	$ (31,631)	$ 9,630
Gain on property revaluation	(92)	-
Income tax (expense) benefit recognized in other comprehensive income	$ (31,723)	$ 9,630

Current Tax Liabilities

	December 31	
	2024	2023
Current tax liabilities		
Consolidated income tax payable	$ 976,736	$ 901,936
Income tax payable	122,486	188,042
	$ 1,099,222	$ 1,089,978

Deferred Tax Assets and Liabilities

The Group offset certain deferred tax assets and deferred tax liabilities which met the offset criteria.

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

For the year ended December 31, 2024

	Restated Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Defined benefit obligation	$ 62,274	$ (1,408)	$ (31,631)	$ 29,235
Allowance for doubtful accounts	612,238	20,045	-	632,283
Others	110,695	(74,838)	-	35,857
	$ 785,207	$ (56,201)	$ (31,631)	$ 697,375
Deferred tax liability				
Temporary differences				
Goodwill amortization	$ 257,516	$ -	$ -	$ 257,516
Reserve for land revaluation increment tax	203,237	(403)	92	202,926
	$ 460,753	$ (403)	$ 92	$ 460,442

For the year ended December 31, 2023

	Restated Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Defined benefit obligation	$ 53,477	$ (833)	$ 9,630	$ 62,274
Allowance for doubtful accounts	605,021	7,217	-	612,238
Others	95,643	15,052	-	110,695
	$ 754,141	$ 21,436	$ 9,630	$ 785,207
Deferred tax liability				
Temporary differences				
Goodwill amortization	$ 257,516	$ -	$ -	$ 257,516
Reserve for land revaluation increment tax	202,358	879	-	203,237
	$ 459,874	$ 879	$ -	$ 460,753

Income Tax Assessments

As of December 31, 2024, the Bank's income tax returns through 2019 have been assessed and approved by the tax authority.

Income tax returns through 2022 of Shin Kong Marketing Consultant Co., Ltd. have been assessed and approved by the tax authority.

Pillar Two Income Tax Legislation

The government of Hong Kong, where the Bank's overseas branch is incorporated, enacted the Pillar Two income tax legislation effective from 2025. After the assessment, the Bank has no related current tax exposure.

33. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2024	2023
Basic EPS	$ 1.45	$ 1.36
Diluted EPS	$ 1.45	$ 1.36

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

Net Profit for the Period

	For the Year Ended December 31	
	2024	2023
Profit for the period attributable to owner of the Bank	$ 7,215,922	$ 6,791,448

The weighted average number of ordinary shares outstanding (in thousand shares) was as follows:

	For the Year Ended December 31	
	2024	2023
Weighted average number of ordinary shares used in the computation of basic earnings per share	4,981,533	4,981,533
Effect of potentially dilutive ordinary shares:		
Employee's compensation	6,536	7,148
Weighted average number of ordinary shares used in the computation of diluted earnings per share	4,988,069	4,988,681

The Group may settle the compensation or bonuses paid to employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation or bonuses will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is 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.

34. RELATED PARTY TRANSACTIONS

Related Party	Relationship
Shin Kong Financial Holding Co., Ltd. (SKFHC)	Parent company of the Bank
Chin-Yuan, Lai	Key management personnel (president)
Cheng-Kuo, Lee	Key management personnel (general manager)
Yu-Yuan, Wang; Xin-Chang, Wu; and Shang-Ming, Tsai	Key management personnel (current directors)
Chih-Jong, Suen; Shou-Huang, Chen and Yang-Tzong, Tsai	Key management personnel (independent directors)
Shin Kong Life Insurance Co., Ltd. (SKLIC)	Fellow subsidiary related to others
Shin Kong Investment Trust Co., Ltd. (SKITC)	Fellow subsidiary related to others
MasterLink Securities Corporation	Fellow subsidiary related to others
MasterLink Futures Corporation	Fellow subsidiary related to others
MasterLink Venture Capital Corporation	Fellow subsidiary related to others
MasterLink Securities Investment Advisory Co., Ltd.	Fellow subsidiary related to others
Shin Kong Venture Capital International Co., Ltd.	Fellow subsidiary related to others
Shin Kong Property Insurance Agency Co., Ltd.	Fellow subsidiary related to others
Shin-Kong Life Real Estate Service Co., Ltd. (SKLRESC)	Fellow subsidiary related to others
Bao-Sheng, Wei and other directors	Key management personnel
Shin Kong Wu Ho-Su Culture and Education Foundation	Related party in substance
Shin Kong Life Foundation	Related party in substance
Shin Kong Wu Foundation	Related party in substance
Shin Kong Wu Tung-Ching Foundation	Related party in substance
Shin Kong Wu Ho-Su Memorial Hospital	Related party in substance
Shinkong Mitsukoshi Department Store Co., Ltd. (SKM)	Related party in substance
Ubright Optronics Corporation	Related party in substance
Shinkong Synthetic Fibers Corporation	Related party in substance
Shin Kong Hae Yang Co., Ltd.	Related party in substance
Ruey-Shin Enterprise Co., Ltd.	Related party in substance
Shin Kong Chao Feng Co., Ltd.	Related party in substance
Taishin International Bank Co., Ltd.	Related party in substance
Shinkong Textile Co., Ltd.	Related party in substance
Shinkong Insurance Co., Ltd.	Related party in substance
New Light International Co., Ltd.	Related party in substance
WS Management Co.	Related party in substance
Yi-Kong Security Co., Ltd.	Related party in substance
Yi-Kong International Apartment Building Management and Maintenance Co., Ltd.	Related party in substance
Hung Family Enterprise Co., Ltd.	Related party in substance
Taiwan Shin Kong Security Co., Ltd. (TSKSC)	Related party in substance
Shinkong Co., Ltd.	Related party in substance
Shinsoft Co., Ltd.	Related party in substance
The Great Taipei Gas Corporation	Related party in substance
Taiwan Security Co., Ltd.	Related party in substance
Northeast Corner Recreation Co., Ltd.	Related party in substance
JasperVilla Co., Ltd.	Related party in substance
Ruey-Fang Farm Company	Related party in substance

(Continued)

Related Party	Relationship
Great Taipei Broadband Co., Ltd.	Related party in substance
Shin-Po Investment Co., Ltd.	Related party in substance
Hua Nan Securities Co., Ltd.	Related party in substance
Shin Kong Medical Club	Related party in substance
Taishin Securities Co., Ltd.	Related party in substance
Chia Ban Investment Co., Ltd.	Related party in substance
Yuan Jen Enterprises Co., Ltd.	Related party in substance
Taiwan Shin Kong Security Foundation for Arts and Culture	Related party in substance
Shin Cheng Investment Co., Ltd.	Related party in substance
Formosan Chemical Ind Co., Ltd	Related party in substance
Shinkong Asset Management Co., Ltd.	Related party in substance
Jinguang Industrial Company	Related party in substance
Shin Hai Gas Corp.	Related party in substance
Tong Shan Investment Co., Ltd.	Related party in substance
Chi-Ye Chemical Engineering Co., Ltd.	Related party in substance
Hong Tai Electric Industrial Co., Ltd.	Related party in substance
Taiwan Institute for Sustainable Energy	Related party in substance
Tai-Po Service Technology Co., Ltd.	Related party in substance
Shin Shin Natural Gas Co., Ltd.	Related party in substance
Century Biotech Development Corporation	Related party in substance
Mega Green Energy Corporation	Related party in substance
SP International Company Ltd.	Related party in substance
C International Co.	Related party in substance
Pei-Tou Hotel Co., Ltd.	Related party in substance
Tong Yin Investment Co.	Related party in substance
Yung Kwang Co., Ltd.	Related party in substance
Shin Kong Wu Ho-Su Rescue Foundation	Related party in substance
Shinkong Materials Technology Co., Ltd.	Related party in substance
Other related party in substance	Second-degree relatives of the Company's directors (including independent directors) and their spouses and related companies or substantive people of the Company

(Concluded)

Note: The Group divides the relationship between the above-mentioned related parties into (1) parent company (2) fellow subsidiaries related to others (3) key management personnel (4) related party in substance (5) other related parties (not included in the above (1) - (4)) as the basis for the disclosure of the following types of related party transactions.

Loans

2024								
	Numbers/Name	Highest Balance	Balance, End of the Year	Compliance		Collaterals	Interest Revenue	The Difference Between Related and Non-related Party
				Performing Loans	Overdue Loans			
Employees consumption loans	29	$ 31,878	$ 25,122	$ 25,122	$ -	Vehicle, public trade stock	$ 421	None
Loans on mortgage	95	982,221	826,221	826,221	-	Real estate	16,968	None
Other loans	Related parties in substance							
	Shin Kong Chao Feng Co., Ltd.	785,000	736,000	736,000	-	Real estate	19,456	None
	WS Management Co.	188,600	162,300	162,300	-	Real estate, public trade stock	4,002	None
	Hung Family Enterprise Co., Ltd.	263,900	193,500	193,500	-	Real estate, public trade stock	5,234	None
	Chia Ban Investment Co., Ltd.	290,000	180,000	180,000	-	Real estate	4,077	None
	Yuan Jen Enterprises Co., Ltd.	206,000	109,000	109,000	-	Real estate, public trade stock	2,334	None
	Century Biotech Development Corporation	81,900	81,900	81,900	-	None	1,814	None
	The Great Taipei Gas Corporation	100,000	-	-	-	Real estate	183	None
	Pei-Tou Hotel Co., Ltd.	50,000	50,000	50,000	-	Public trade stock	325	None
	Yung Kwang Co., Ltd.	50,000	50,000	50,000	-	Public trade stock	325	None
	Others	73,500	20,000	20,000	-	Real estate, public trade stock	1,164	None

2023								
	Numbers/Name	Highest Balance	Balance, End of the Year	Compliance		Collaterals	Interest Revenue	The Difference Between Related and Non-related Party
				Performing Loans	Overdue Loans			
Employees consumption loans	18	$ 14,027	$ 10,140	$ 10,140	$ -	Vehicle	$ 181	None
Loans on mortgage	93	914,529	803,580	803,580	-	Real estate	15,615	None
Other loans	Related parties in substance							
	Shin Kong Chao Feng Co., Ltd.	800,000	785,000	785,000	-	Real estate	18,852	None
	Ruey-Fang Farm Company	56,850	45,350	45,350	-	Public trade stock	944	None
	Shinkong Textile Co., Ltd.	210,000	-	-	-	Public trade stock	278	None
	WS Management Co.	183,000	179,300	179,300	-	Real estate, public trade stock	3,613	None
	Hung Family Enterprise Co., Ltd.	262,900	259,400	259,400	-	Real estate, public trade stock	5,032	None
	Chia Ban Investment Co., Ltd.	330,000	290,000	290,000	-	Real estate	7,251	None
	Yuan Jen Enterprises Co., Ltd.	311,000	116,000	116,000	-	Real estate, public trade stock	3,508	None
	Formosan Chemical Ind. Corp.	153,550	153,550	153,550	-	Public trade stock	1,010	None
	Century Biotech Development Corporation	78,400	78,400	78,400	-	None	1,476	None
	TSKSC	90,000	-	-	-	Real estate	303	None
	Ru Yue, Guo Wu	150,000	150,000	150,000	-	Real estate	3,180	None
	Others	179,800	71,600	71,600	-	Real estate, public trade stock, certificates of deposits	2,190	None

Guarantee

Company	2024 Highest Balance	2024 Balance, End of the Year	2024 Guarantee Reserve Balance	2024 Ratio (%)	2024 Guarantee
Related parties in substance					
Yuan Jen Enterprises Co., Ltd.	$ 105,000	$ 65,000	$ 650	0.5	Real estate public trade stocks
Century Biotech Development Corporation	7,500	3,750	38	0.6	None
		$ 68,750	$ 688		

Company	2023 Highest Balance	2023 Balance, End of the Year	2023 Guarantee Reserve Balance	2023 Ratio (%)	2023 Guarantee
Related parties in substance					
Yuan Jen Enterprises Co., Ltd.	$ 140,000	$ 60,000	$ 600	0.5	Real estate, public trade stocks
Century Biotech Development Corporation	9,946	7,500	75	0.6	None
JasperVilla Co., Ltd.	44,868	-	-	0.95	Certificates of deposits
		$ 67,500	$ 675		

Outright Purchase

	December 31, 2024		December 31, 2023	
	Par Value	Trading Value	Par Value	Trading Value
Fellow subsidiaries related to others				
MasterLink Securities Corporation	$ 100,000	$ 99,052	$ -	$ -
Related parties in substance				
Taishin International Bank Co., Ltd.	50,000	49,676	-	-
	$ 150,000	$ 148,728	$ -	$ -

Outright Sale

	December 31			
	2024		2023	
	Par Value	Trading Value	Par Value	Trading Value
Fellow subsidiaries related to others				
MasterLink Securities Corporation	$ -	$ -	$ 250,000	$ 249,088
Related parties in substance				
Hua Nan Securities Co., Ltd.	-	-	50,000	49,804
	$ -	$ -	$ 300,000	$ 298,892

The outright purchase and sale of bonds will be traded at normal prices, that is, the interest rate is based on the prevailing market interest rate. The transaction was matched by the Electronic Bond Trading System of the Taipei Exchange.

Receivables

	December 31	
	2024	2023
Fellow subsidiaries related to others		
SKLIC	$ 115,001	$ 109,090

Receivables from SKLIC were service fee revenue as of December 31, 2024 and 2023.

Prepayments

	December 31	
	2024	2023
Parent company		
SKFHC	$ 1,023	$ 2,173
Fellow subsidiaries related to others		
SKLIC	5	5
Related parties in substance		
Shinkong Co., Ltd.	14,517	17,630
SKM	8,725	6,196
TSKSC	4,593	4,640
Others	306	409
	28,141	28,875
	$ 29,169	$ 31,053

Prepayments to SKFHC, SKLIC, Shinkong Co., Ltd., SKM and TSKSC were mainly prepaid repair and maintenance expenses, rent, insurance and other general and administrative expenses as of December 31, 2024 and 2023.

Leases Arrangements

Acquisition of right-of-use assets

	For the Year Ended December 31	
	2024	2023
Fellow subsidiaries related to others		
SKLIC	$ 74,678	$ 121,050

Modifications of lease agreement

The Bank and SKLIC agreed to change the contract of lease. For the years ended December 31, 2024, Remeasurement from the right-of-use assets and lease liabilities was $7,619 thousand.

The Bank, SKLIC and the Great Taipei Gas Corporation agreed to change the contract of lease. For the years ended December 31, 2023, Remeasurement from the right-of-use assets and lease liabilities was $(28,231) thousand.

Lease liabilities

	December 31	
	2024	2023
Fellow subsidiaries related to others		
SKLIC	$ 927,861	$ 1,199,245
Related parties in substance		
The Great Taipei Gas Corporation	243,716	328,649
	$ 1,171,577	$ 1,527,894

Interest expense

	For the Year Ended December 31	
	2024	2023
Fellow subsidiaries related to others		
SKLIC	$ 13,128	$ 15,598
Related parties in substance		
The Great Taipei Gas Corporation	5,991	7,843
	$ 19,119	$ 23,441

Deposits

	For the Year Ended December 31, 2024		
	Ending Balance	**Interest Ratio**	**Interest Expense**
Parent company			
SKFHC	$ 2,617,750	0.00%-5.60%	$ 73,479
Fellow subsidiaries related to others			
SKLIC	25,295,188	0.00%-1.75%	410,669
MasterLink Securities Corporation	4,336,203	0.00%-2.15%	55,329
MasterLink Futures Corporation	2,167,867	0.00%-5.30%	30,265
SKITC	176,579	0.00%-1.75%	1,294
SKLRESC	168,032	0.00%-1.52%	1,765
Shin Kong Property Insurance Agency Co., Ltd.	79,206	0.00%-1.65%	519
Shin Kong Venture Capital International Co., Ltd.	58,447	0.53%-1.35%	418
MasterLink Venture Capital Corporation	50,762	0.00%-1.76%	900
Others	36,519		202
	32,368,803		501,361
Related parties in substance			
Shinkong Insurance Co., Ltd.	3,114,692	0.00%-1.80%	27,819
SKM	2,265,595	0.00%-1.87%	17,595
Shin Hai Gas Corp.	1,013,888	0.00%-1.76%	12,440
The Great Taipei Gas Corporation	998,294	0.00%-1.76%	13,351
Ruey-Shin Enterprise Co., Ltd.	485,235	0.00%-1.70%	5,369
Tong Shan Investment Co., Ltd.	472,708	0.00%-1.70%	4,906
Shin Kong Wu Ho-Su Memorial Hospital	414,379	0.00%-3.85%	7,244
Yi-Kong Security Co., Ltd.	260,525	0.00%-1.65%	1,329
Great Taipei Broadband Co., Ltd.	241,896	0.00%-1.70%	2,858
Shinsoft Co., Ltd.	205,314	0.00%-1.29%	944
Yi-Kong International Apartment Building Management and Maintenance Co., Ltd.	150,237	0.00%-0.65%	568
JasperVilla Co., Ltd.	149,515	0.00%-1.75%	1,909
Chi-Ye Chemical Engineering Co., Ltd.	148,769	0.00%-1.29%	1,254
Hong Tai Electric Industrial Co., Ltd.	135,317	0.00%-1.76%	1,352
Taiwan Security Co., Ltd.	130,764	0.00%-0.65%	941
Shin Kong Wu Ho-Su Culture and Education Foundation	128,153	0.00%-1.76%	1,982
Shinkong Asset Management Co., Ltd.	123,987	0.00%-1.76%	2,815
Taiwan Institute for Sustainable Energy	123,085	0.00%-1.76%	1,300
Tai-Po Service Technology Co., Ltd.	109,775	0.00%-1.65%	1,396
Mega Green Energy Corporation	101,050	0.53%-1.34%	1,200
Jinguang Industrial Company	100,377	0.53%-1.47%	848
Shin Kong Wu Tung-Ching Foundation	91,705	0.00%-1.76%	1,364
Shin Kong Life Foundation	91,235	0.00%-1.63%	980
Shinkong Textile Co., Ltd.	87,039	0.00%-1.70%	422
Shinkong Materials Technology Co., Ltd.	81,702	0.00%-1.35%	409
Tong Yin Investment Co.	74,394	0.00%-1.58%	361
Shin Cheng Investment Co., Ltd.	73,563	0.00%-0.65%	391
New Light International Co., Ltd.	70,701	0.00%-1.75%	901
Shin Shin Natural Gas Co., Ltd.	67,947	0.00%-1.35%	197
Shin Kong Wu Foundation	64,611	0.00%-1.76%	876
TSKSC	58,046	0.00%-1.35%	550

(Continued)

	For the Year Ended December 31, 2024		
	Ending Balance	Interest Ratio	Interest Expense
Shin-Po Investment Co., Ltd.	$ 52,113	0.53%-1.43%	$ 1,624
Taiwan Shin Kong Security Foundation for Arts and Culture	51,362	0.53%-1.52%	743
Shin Kong Wu Ho-Su Rescue Foundation	51,038	0.00%-1.76%	802
Others	1,026,828		12,257
	12,815,839		131,297
Other related parties	979,466		13,994
	$ 48,781,858		$ 720,131

(Concluded)

	For the Year Ended December 31, 2023		
	Ending Balance	Interest Ratio	Interest Expense
Parent company			
SKFHC	$ 2,504,234	0.00%-5.60%	$ 127,149
Fellow subsidiaries related to others			
SKLIC	31,638,397	0.00%-1.58%	294,012
MasterLink Securities Corporation	3,658,175	0.00%-5.22%	61,663
MasterLink Futures Corporation	1,311,420	0.00%-4.55%	13,996
SKLRESC	141,840	0.00%-1.57%	1,575
MasterLink Venture Capital Corporation	103,062	0.01%-1.45%	1,370
SKITC	102,235	0.00%-1.50%	335
Shin Kong Property Insurance Agency Co., Ltd.	69,555	0.00%-1.34%	649
Others	86,802		1,488
	37,111,486		375,088
Related parties in substance			
Shinkong Insurance Co., Ltd.	1,925,074	0.00%-1.58%	15,894
The Great Taipei Gas Corporation	1,067,892	0.00%-1.45%	11,745
SKM	989,042	0.00%-1.37%	15,564
Shin Hai Gas Corp.	936,416	0.00%-1.55%	10,735
Shin Kong Wu Ho-Su Memorial Hospital	522,878	0.00%-1.35%	3,518
Shinkong Asset Management Co., Ltd.	463,093	0.00%-1.45%	7,824
Yi-Kong Security Co., Ltd.	350,840	0.00%-1.34%	1,382
Ruey-Shin Enterprise Co., Ltd.	347,316	0.00%-1.40%	2,673
Tong Shan Investment Co., Ltd.	325,544	0.00%-1.40%	2,713
Hong Tai Electric Industrial Co., Ltd.	243,173	0.00%-1.58%	457
Great Taipei Broadband Co., Ltd.	233,035	0.00%-1.40%	2,130
Shinkong Synthetic Fibers Corporation	228,421	0.00%-1.35%	713
Shin-Po Investment Co., Ltd.	207,739	0.40%-1.40%	1,068
Shinkong Textile Co., Ltd.	179,756	0.00%-1.58%	432
Shinsoft Co., Ltd.	163,926	0.00%-1.17%	793
Taiwan Security Co., Ltd.	151,558	0.00%-0.53%	546
Chia Ban Investment Co., Ltd.	143,049	0.01%-1.35%	13
Taiwan Institute for Sustainable Energy	136,754	0.00%-1.63%	1,166
Jinguang Industrial Company	133,443	0.53%-0.53%	767
Yi-Kong International Apartment Building Management and Maintenance Co., Ltd.	129,219	0.00%-0.53%	433

(Continued)

	For the Year Ended December 31, 2023		
	Ending Balance	Interest Ratio	Interest Expense
Shin Kong Wu Ho-Su Culture and Education Foundation	$ 126,913	0.00%-1.63%	$ 1,665
JasperVilla Co., Ltd.	126,708	0.00%-1.58%	1,122
Northeast Corner Recreation Co., Ltd.	117,457	0.00%-1.17%	582
Ubright Optronics Corporation	117,300	0.00%-1.58%	1,317
Tai-Po Service Technology Co., Ltd.	106,734	0.00%-1.34%	976
Chi-Ye Chemical Engineering Co., Ltd.	106,222	0.00%-1.18%	1,301
Shin Kong Wu Tung-Ching Foundation	88,775	0.00%-1.63%	1,131
New Light International Co., Ltd.	83,505	0.00%-1.17%	444
Shin Kong Life Foundation	79,580	0.00%-1.51%	648
Shin Shin Natural Gas Co., Ltd.	78,737	0.00%-1.35%	194
Shin Kong Hae Yang Co., Ltd.	75,179	0.00%-0.53%	341
Shin Cheng Investment Co., Ltd.	69,633	0.00%-0.53%	216
Shin Kong Wu Foundation	63,982	0.00%-1.63%	744
Shin Kong Medical Club	52,543	0.00%-1.35%	257
Tong Yin Investment Co.	52,200	0.00%-1.45%	199
Taiwan Shin Kong Security Foundation for Arts and Culture	51,844	0.40%-1.33%	533
Shin Kong Wu Ho-Su Rescue Foundation	50,126	0.00%-1.63%	669
Mega Green Energy Corporation	50,000	0.53%-1.34%	56
Others	965,137		20,668
	11,340,743		113,629
Others related parties	777,721		13,626
	$ 51,734,184		$ 629,492

(Concluded)

The transaction terms with related parties do not significantly differ from those with ordinary customers except for the interest rate on the Bank's employee deposits at 6.74% and 6.61% for the years ended December 31, 2024 and 2023, respectively.

Service Fee Revenue

	For the Year Ended December 31	
	2024	2023
Fellow subsidiaries related to others		
SKLIC	$ 1,868,574	$ 1,422,037
Others	13,168	49,484
	1,881,742	1,471,521
Related parties in substance		
Shinkong Insurance Co., Ltd.	33,057	31,619
Shin Kong Wu Ho-Su Memorial Hospital	11,860	10,067
SKM	10,523	12,541
Others	11,010	9,540
	66,450	63,767
	$ 1,948,192	$ 1,535,288

The nature of transactions differed for each related party; therefore, the comparison is impractical.

Service Fee Expense

	For the Year Ended December 31	
	2024	2023
Fellow subsidiaries related to others		
MasterLink Securities Investment Advisory Co., Ltd.	$ 19,848	$ 5,809
MasterLink Securities Corporation	16,885	9,766
Others	256	227
	36,989	15,802
Related parties in substance		
SKM	10,097	12,037
Shinkong Insurance Co., Ltd.	6,775	6,100
Taishin Securities Co., Ltd.	2,455	1,034
Others	2,095	1,216
	21,422	20,387
	$ 58,411	$ 36,189

The nature of transactions differed for each related party; therefore, the comparison is impractical.

Lease Transaction

	For the Year Ended December 31	
	2024	2023
Rent revenue and guarantee deposits received		
Fellow subsidiaries related to others		
MasterLink Securities Corporation	$ 1,487	$ 1,487
Related parties in substance		
TSKSC	710	710
Taiwan Security Co., Ltd.	676	676
	1,386	1,386
	$ 2,873	$ 2,873

As of December 31, 2024 and 2023, the guarantee deposits received from related parties are the following:

	December 31	
	2024	2023
Fellow subsidiaries related to others		
MasterLink Securities Corporation	$ 240	$ 240
Related parties in substance		
TSKSC	163	163
Taiwan Security Co., Ltd.	119	119
	282	282
	$ 522	$ 522

	For the Year Ended December 31	
	2024	2023
Rent expense and refundable deposits		
Parent company		
SKFHC	$ 2	$ -
Fellow subsidiaries related to others		
SKLIC	1,490	1,568
SKLRESC	1,360	1,588
MasterLink Futures Corporation	918	557
	3,768	3,713
Related parties in substance		
Taishin International Bank Co., Ltd.	4,571	4,571
SKM	945	945
The Great Taipei Gas Corporation	898	1,038
Others	420	2,547
	6,834	9,101
	$ 10,604	$ 12,814

The lease terms with related parties do not significantly differ from those with ordinary customers. The following are the details on the rent deposits:

	December 31	
	2024	2023
Fellow subsidiaries related to others		
SKLIC	$ 68,734	$ 71,191
Others	2,901	2,975
	71,635	74,166
Related parties in substance		
The Great Taipei Gas Corporation	16,236	18,773
	$ 87,871	$ 92,939

Professional Service Fee

	For the Year Ended December 31	
	2024	2023
Fellow subsidiaries related to others		
SKLIC	$ 6,469	$ 8,465
MasterLink Securities Corporation	4,101	3,637
Others	1,690	2,504
	12,260	14,606
Related parties in substance		
Shin Kong Wu Ho-Su Memorial Hospital	30	36
Yi-Kong Security Co., Ltd.	-	1,714
Others	-	39
	30	1,789
	$ 12,290	$ 16,395

The nature of transactions with related parties does not significantly differ from those with ordinary customers.

Donation Expense

Donations were approved by the board of directors of the Group on November 1, 2023 to the Taiwan Nature Conservation Foundation, a related party in substance. The amount was $2,000 thousand.

However, the Group received a letter from Taiwan Nature Conservation on November 20, 2023, stating that it would readjust its working plan and requesting that the Group temporarily cancel these donations, which was approved by the board of directors on November 22, 2023.

Other Expense

	For the Year Ended December 31	
	2024	**2023**
Parent company		
SKFHC	$ 1,150	$ 1,150
Fellow subsidiaries related to others		
MasterLink Securities Corporation	187,332	170,931
SKLRESC	68,359	75,419
Others	23,503	22,134
	279,194	268,484
Related parties in substance		
TSKSC	54,945	52,039
Yi-Kong Security Co., Ltd.	54,222	51,938
SKM	30,256	34,242
Yi-Kong International Apartment Building Management and Maintenance Co., Ltd.	24,381	22,508
Others	73,399	57,032
	237,203	217,759
	$ 517,547	$ 487,393

The nature of transactions are mainly rental fee, security fee, cleaning fee and insurance and do not significantly differ from those with ordinary customers.

Property and Equipment

	For the Year Ended December 31	
	2024	**2023**
Related parties in substance		
TSKSC	$ 14,343	$ 21,785
Others	438	-
	$ 14,781	$ 21,785

The Group purchased automated teller machine, camera, software and surveillance equipment from TSKSC, etc. The transaction price was decided by bid inviting.

Other Transactions

The Bank and SKFHC, 100%-owner of the Bank, adopted the consolidated income tax return system to file their consolidated income tax returns since January 1, 2006. The consolidated income tax resulted in payable of $976,736 thousand as of December 31, 2024.

Guarantor of Credit

	For the Year Ended December 31, 2024		
	Creditor	**Highest Balance**	**Ending Balance**
Key management personnel			
Bang-Sheng, Wu	Chia Ban Investment Co., Ltd	$ 290,000	$ 180,000
Shih-Chi, Hung	SP International Company Ltd.	13,000	-
		$ 303,000	$ 180,000

	For the Year Ended December 31, 2023		
	Creditor	**Highest Balance**	**Ending Balance**
Key management personnel			
Bang-Sheng, Wu	Chia Ban Investment Co., Ltd	$ 330,000	$ 290,000
Shih-Chi, Hung	C International Co.	13,000	-
Shih-Chi, Hung	SP International Company Ltd.	31,700	13,000
		$ 374,700	$ 303,000

Compensation of Directors, Supervisors and Key Management Personnel

	For the Year Ended December 31	
	2024	**2023**
Short-term benefits	$ 140,755	$ 164,307
Post-employment benefits	1,636	2,178
Other long-term benefits	38,000	40,000
Share-based payments	2,822	-
	$ 183,213	$ 206,485

35. PLEDGED ASSETS

As of December 31, 2024 and 2023, certain assets were pledged as collaterals. Details are summarized as follows:

	December 31	
	2024	**2023**
Financial assets as FVTOCI - government bonds	$ 5,535,000	$ 5,530,000
Debt instruments measured at amortized cost - government bonds	30,000	-
	$ 5,565,000	$ 5,530,000

Assets are pledged to guarantee deposits for the foreign exchange transaction clearing business, etc.

36. COMMITMENTS AND CONTINGENCIES

Commitments and contingencies were summarized as follows:

	December 31 2024	December 31 2023
Guarantees	$ 27,831,838	$ 23,765,579
Letters of credit	3,696,057	3,225,711
Trust liabilities	209,061,994	194,664,688
Loan commitments (excluding credit card)	349,267,297	274,688,293
Loan commitments - credit card	116,934,813	116,304,775

According to Article 17 of the Implementation Rules of Trust Law, the Bank should disclose its balance sheet and income statement of trust account and its asset items, which were as follows:

Trust Account Balance Sheet
December 31, 2024

Trust Asset	Amount	Trust Liability	Amount
Cash in banks		Securities under custody payable	
The principal deposits in the Bank	$ 5,040,270	Securities under custody payable	$ 30,474,349
Short-term investments		Trust capital	
Mutual fund	71,536,412	Funds and investment	123,251,800
Bond investments	47,223,786	Real estate trust	55,717,463
Common stock investments	1,038,808	Reserve and accumulated deficit	
Securities under custody		Accumulated deficit	(3,692,590)
Securities under custody	30,474,349	Exchange	777
Real estate		Net income	3,310,195
Land	43,177,210		
Building	6,906		
Construction in process	10,564,253		
Trust asset	$ 209,061,994	Trust liability	$ 209,061,994

Trust Account Income Statement
Year Ended December 31, 2024

Item	Amount
Trust income	
Interest revenue	$ 15,663
Preferred stock dividend income	3,003,953
Gain on disposal of assets	1,860,145
Realized capital gain	1,889,932
Subtotal	6,769,693
Trust expense	
Management fee	(86,790)
Service fee	(331)
Loss on disposal of assets	(3,371,043)
Other fees	(235)
Subtotal	(3,458,399)
Income before income tax	3,311,294
Income tax expense	(1,099)
Net income	$ 3,310,195

The summary of trust asset as of December 31, 2024 is as follows:

Item	Amount
Cash in banks	
The principal deposits in the Bank	$ 5,040,270
Short-term investments	
Mutual fund	71,536,412
Bond investments	47,223,786
Common stock investments	1,038,808
Securities under custody payable	
Securities under custody	30,474,349
Real estate	
Land	43,177,210
Building	6,906
Construction in process	10,564,253
	$ 209,061,994

Trust Account Balance Sheet
December 31, 2023

Trust Asset	Amount	Trust Liability	Amount
Cash in banks		Securities under custody payable	
The principal deposits in the Bank	$ 4,101,733	Securities under custody payable	$ 33,017,185
Short-term investments		Trust capital	
Mutual fund	66,979,066	Funds and investment	111,365,307
Bond investments	40,876,517	Real estate trust	50,679,645
Common stock investments	839,484	Reserve and accumulated deficit	
Securities under custody		Accumulated deficit	(1,716,218)
Securities under custody	33,017,185	Exchange	(221)
Real estate		Net income	1,318,990
Land	39,233,687		
Building	6,906		
Construction in process	9,610,110		
Trust asset	$ 194,664,688	Trust liability	$ 194,664,688

Trust Account Income Statement
Year Ended December 31, 2023

Item	Amount
Trust income	
Interest revenue	$ 12,868
Preferred stock dividend income	2,619,804
Gain on disposal of assets	1,013,179
Realized capital gain	1,730,281
Subtotal	5,376,132
Trust expense	
Management fee	(66,613)
Service fee	(277)
Loss on disposal of assets	(3,989,103)
Other fees	(253)
Subtotal	(4,056,246)
Income before income tax	1,319,886
Income tax expense	(896)
Net income	$ 1,318,990

The summary of trust asset as of December 31, 2023 is as follows:

Item	Amount
Cash in banks	
The principal deposits in the Bank	$ 4,101,733
Short-term investments	
Mutual fund	66,979,066
Bond investments	40,876,517
Common stock investments	839,484
Securities under custody payable	
Securities under custody	33,017,185
Real estate	
Land	39,233,687
Building	6,906
Construction in process	9,610,110
	$ 194,664,688

37. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

Except as detailed in the following table, management believes the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

Fair value hierarchy as at December 31, 2024

	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets					
Amortized cost	$ 67,211,524	$ 18,921,391	$ 47,491,243	$ -	$ 66,412,634
Financial liabilities					
Amortized cost-Bank debentures	28,200,000	-	28,172,218	-	28,172,218

Fair value hierarchy as at December 31, 2023

	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets					
Amortized cost	$ 60,456,592	$ 27,128,439	$ 32,650,980	$ -	$ 59,779,419
Financial liabilities					
Amortized cost-Bank debentures	28,200,000	-	28,055,792	-	28,055,792

The fair values of the financial assets and financial liabilities included in the Level 2 and Level 3 categories above have been determined in accordance with income approaches based on a discounted cash flow analysis, with the most significant unobservable inputs being the discount rate that reflects the credit risk of counterparties.

b. Fair value of financial instruments that are measured at fair value on a recurring basis

Fair value hierarchy

Fair Value Measurement of Financial Instruments	December 31, 2024			
	Total	Level 1	Level 2	Level 3
Non-derivative financial instruments				
Assets				
Financial assets at FVTPL				
Stock investments	$ 515,651	$ 515,651	$ -	$ -
Bond investments	7,495,440	3,241,926	4,253,514	-
Negotiable certificates of deposits	69,544,433	69,544,433	-	-
Commercial paper	2,362,595	2,362,595	-	-
Others	105,232	105,232	-	-
Financial assets at FVTOCI				
Equity instruments				
Stock investments	4,890,851	3,975,174	-	915,677
Real estate investment trust	326,241	326,241	-	-
Debt instruments				
Bond investments	176,884,381	80,485,536	96,398,845	-
Derivative financial instruments				
Assets				
Financial assets at FVTPL	7,900,168	-	7,900,168	-
Liabilities				
Financial liabilities at FVTPL	7,551,327	-	7,551,327	-

Changes in Level 3 financial assets were as follows:

Item	Beginning Balance	Valuation Gains (Losses)	Increase		Decrease		Ending Balance
			Buy or Issue	Transfer in	Sell, Disposal	Transfer Out	
Financial assets at FVTOCI Unlisted shares	$ 803,842	$ 112,934	$ -	$ -	$ (1,099)	$ -	$ 915,677

Fair Value Measurement of Financial Instruments	December 31, 2023 Total	Level 1	Level 2	Level 3
Non-derivative financial instruments				
Assets				
Financial assets at FVTPL				
Stock investments	$ 140,967	$ 140,967	$ -	$ -
Bond investments	9,358,257	4,577,858	4,780,399	-
Negotiable certificates of deposits	67,796,112	67,796,112	-	-
Commercial paper	4,514,358	4,514,358	-	-
Financial assets at FVTOCI				
Equity instruments				
Stock investments	5,436,975	4,633,133	-	803,842
Real estate investment trust	299,689	299,689	-	-
Debt instruments				
Bond investments	175,074,974	78,107,829	96,967,145	-
Derivative financial instruments				
Assets				
Financial assets at FVTPL	7,136,087	-	7,136,087	-
Liabilities				
Financial liabilities at FVTPL	7,382,575	-	7,382,575	-

Changes in Level 3 financial assets were as follows:

Item	Beginning Balance	Valuation Gains (Losses)	Increase		Decrease		Ending Balance
			Buy or Issue	Transfer in	Sell, Disposal	Transfer Out	
Financial assets at FVTOCI Unlisted shares	$ 638,265	$ 165,577	$ -	$ -	$ -	$ -	$ 803,842

The valuation techniques based on fair value

The fair values of financial assets and financial liabilities traded on active markets are determined with reference to quoted market prices. It includes foreign/domestic bonds, government bonds, stocks, commercial paper, beneficiary certificate and bank debentures. When market prices are not available, valuation techniques are applied. The financial data obtained by the Group for making estimations and assumptions for financial instrument valuation is consistent with those used by other market participants to price financial instruments.

The fair value of derivatives as foreign exchange forward contracts, cross-currency swap contracts and foreign exchange options traded on active markets are determined with reference to quoted market prices. When market prices are not available, the fair values of non-option derivatives are the present values of future cash flows discounted by the benchmark yield rate quoted in the market during the derivative duration. Fair values of option derivatives are based on estimates made using the option pricing model. The financial data obtained by the Group for making estimations and assumptions for financial instrument valuation is consistent with those used by other market participants to price financial instruments.

c. Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Non-derivative financial instruments	
Bills investments, treasury bills	Discounted cash flow: Future cash flows are estimated based on contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Bond investments	Market evaluation: Market quotes provided and the Notional Amount of the contract by Bloomberg are used as bond evaluations.
Structured notes	Counterparty evaluation: According to the Yield Book, Bloomberg evaluation or other valuation methods that are consistent with academic and market practice.
Derivative financial instruments	
Options contracts	Model evaluation: The execution price, the maturity date and the market volatility, interest rate and exchange rate set by the contract are used as evaluation parameters. The model with closed solution is then used for evaluation.
Foreign exchange swap contracts, foreign exchange forward contracts	Discounted cash flow: Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, repricing rate, discounted at a rate that reflects the credit risk of various counterparties.
Interest rate swap contracts	Discounted cash flow: Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Cross-currency swap contracts	Discounted cash flow: Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, repricing rate, discounted at a rate that reflects the credit risk of various counterparties.
Equity swap contracts	Counterparty evaluation: According to the Yield Book, Bloomberg evaluation or other valuation methods that are consistent with academic and market practice.

d. Valuation techniques and inputs applied for Level 3 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Domestic unlisted equity investments	Net assets: Based on the company's net assets as the fair value.
	Market multiple: Considering the comparable transaction price of the stock in the active market, the corresponding net value multiplier and the liquidity discount ratio 30% to evaluate the fair value.

e. Sensitivity analysis of fair value regarding reasonable and possible alternative assumption within Level 3

The fair value measured by the Group of financial instruments is reasonable, although the use of different valuation models or parameters may lead to different results. For financial instruments classified in Level 3, if the liquidity discount ratio changes by 10%, the effects on other comprehensive income for the current period are as follow:

	Changes in Fair Value Are Reflected in Other Comprehensive Income for the Current Period	
December 31, 2024	**Favorable Changes**	**Adverse Changes**
Financial assets at FVTOCI		
Stock investments	$ 39,243	$ (39,243)

	Changes in Fair Value Are Reflected in Other Comprehensive Income for the Current Period	
December 31, 2023	**Favorable Changes**	**Adverse Changes**
Financial assets at FVTOCI		
Stock investments	$ 34,450	$ (34,450)

The favorable and adverse changes of the Group refer to the fluctuation of fair value, and the fair value refers to the calculation of the technical calculation based on the unobservable input parameters of different degrees. If the fair value of a financial instrument is affected by more than one input parameter, the above table only reflects the impact of changes in a single input parameter and does not take into account the correlation and variability between input parameters.

	December 31	
	2024	**2023**
Financial assets		
Fair value through profit or loss (FVTPL)	$ 87,923,519	$ 88,945,781
Fair value through other comprehensive income (FVTOCI)	182,101,473	180,811,638
Amortized cost (1)	1,040,089,198	983,748,627
Financial liabilities		
Fair value through profit or loss (FVTPL)	7,551,327	7,382,575
Amortized cost (2)	1,230,270,877	1,177,085,618

1) The balances included cash and cash equivalents, placement with Central Bank and call loans to other banks, bills and bonds purchased under resell agreements, receivables, discounted and loans, financial assets measured at amortized cost and refundable deposits measured at amortized cost.

2) The balances included deposits of Central Bank and other banks, bills and bonds sold under repurchase agreements, payables, deposits and remittances, bank debentures, other financial liabilities and guarantee deposits received measured at amortized cost.

f. Offsetting financial assets and financial liabilities

The Group did not hold financial instruments covered by Section 42 of the IAS 32 "Financial Instruments: Presentation" endorsed by the Financial Supervisory Commission; thus, it made an offset of financial assets and liabilities and reported the net amount in the balance sheet.

The Group engages in transactions on the following financial assets and liabilities that are not subject to balance sheet offsetting based on IAS 32 but are under master netting arrangements or similar agreements. These agreements allow both the Group and its counterparties to opt for the net settlement of financial assets and financial liabilities. If one party defaults, the other one may choose net settlement.

The netting information of financial assets and financial liabilities is set out below:

December 31, 2024

Financial Assets	Gross Amounts of Recognized Financial Assets	Gross Amounts of Recognized Financial Assets Set Off in the Balance Sheet	Net Amounts of Financial Assets Presented in the Balance Sheet	Related Amounts Not Set Off in the Balance Sheet		Net Amount
				Financial Instruments (Note)	Cash Collateral Received	
Derivatives	$ 7,900,168	$ -	$ 7,900,168	$ -	$ 155,386	$ 7,744,782
Resale agreements	$ 874,248	$ -	$ 874,248	$ 873,925	$ -	$ 323

Financial Liabilities	Gross Amounts of Recognized Financial Liabilities	Gross Amounts of Recognized Financial Liabilities Set Off in the Balance Sheet	Net Amounts of Financial Liabilities Presented in the Balance Sheet	Related Amounts Not Set Off in the Balance Sheet		Net Amount
				Financial Instruments (Note)	Cash Collateral Received	
Derivatives	$ 7,551,327	$ -	$ 7,551,327	$ -	$ 4,601,626	$ 2,949,701
Repurchase agreements	$ 10,319,230	$ -	$ 10,319,230	$ 10,319,230	$ -	$ -

December 31, 2023

Financial Assets	Gross Amounts of Recognized Financial Assets	Gross Amounts of Recognized Financial Assets Set Off in the Balance Sheet	Net Amounts of Financial Assets Presented in the Balance Sheet	Related Amounts Not Set Off in the Balance Sheet		Net Amount
				Financial Instruments (Note)	Cash Collateral Received	
Derivatives	$ 7,136,087	$ -	$ 7,136,087	$ -	$ 1,068,889	$ 6,067,198
Resale agreements	$ 600,000	$ -	$ 600,000	$ 600,000	$ -	$ -

Financial Liabilities	Gross Amounts of Recognized Financial Liabilities	Gross Amounts of Recognized Financial Liabilities Set Off in the Balance Sheet	Net Amounts of Financial Liabilities Presented in the Balance Sheet	Related Amounts Not Set Off in the Balance Sheet		Net Amount
				Financial Instruments (Note)	Cash Collateral Received	
Derivatives	$ 7,382,575	$ -	$ 7,382,575	$ -	$ 3,377,131	$ 4,005,444
Repurchase agreements	$ 9,517,255	$ -	$ 9,517,255	$ 9,517,255	$ -	$ -

Note: Include net delivery and non-cash collateral received.

g. Financial risk information

The risk management objectives of the Bank are responsible for business performance objectives, overall risk appetite and external legal restrictions in order to achieve the goal of balancing risk and reward. The main risks faced by the Group operations include various credit risks, market risks (including interest rates, exchange rates, equity securities) and liquidity risks of on- and off-balance sheet businesses.

The Group has formulated a relevant risk management policy, which has been approved by the Board of Directors to effectively identify, measure, monitor and control credit risk, market risk and liquidity risk.

1) Market risk

The financial instrument held or issued by the Group are affected by market risk factors such as interest rate (including credit risk spread), exchange rate, securities price, product price and its volatility, interaction correlation and market liquidity that made surplus, capital, value or operating capacity an adverse impact.

The market risk comes from the trading book and the bank book portfolio. The trading book portfolio refers to various financial products (including commodities) transactions that are undertaken for the purpose of the transaction, or those who intend to make profits from short-term price fluctuations, such as Self-operated business, market-making transactions, etc. A bank book portfolio established for long-lasting and not for the purpose of earning capital gains.

a) Market risk management policy

i. Identifying market risk

The risk management unit shall clearly identify the source of the market risk of each type of transaction before the transaction is undertaken, and shall be stated in the relevant product guidelines document, and the market risk management unit shall independently perform the identification procedure.

ii. Measuring market risk

Market risk management units use appropriate and consistent measurement methods to cover key sources of risk based on business characteristics and sources of risk. Risk measurement is intimately integrated with daily risk management as a reference for planning, monitoring and controlling market risk conditions.

The evaluation method and market price information shall be determined by the market risk management unit to calculate the profit and loss, risk factor sensitivity, risk value and stress test.

iii. Monitoring

Market risk authority is a tool used to authorize and monitor the market risk assumed by the Group to ensure that market risk is in line with the Group's risk appetite. The establishment of authorization, approval, exception and overpass shall be subject to the relevant regulations of market risk management.

iv. Reporting

The market risk report is a risk communication tool. The market risk management unit reports risk management information to senior managers on a daily basis, and regularly reports the overall market risk status of the Group to the senior management and the board of directors. The risk strategy will adjust based on the market risk report.

b) Market risk measurement

The Board of Directors determines the capital adequacy ratio and annual earnings target annually, and the expectation of market volatility to measure whether the risk and remuneration ratio is acceptable, and whether the risk assumed is in line with the Group's appetite. Besides, the Board of Directors approve the market risk operation authority that all transaction made by trading unit are conducted within the approved authority. The Group uses market risk factor sensitivity as a tool of market risk control.

i. Market risk management of trading book

Market risk sensitivity refers to the change in value of a unit due to a change in a specific market risk factor. Market risk factors are divided into interest rates, exchange rates, and prices of equity securities. The Group discloses the market risk arising from the trading positions of the Group by market risk sensitivity.

Risk factor sensitivity

i) Foreign exchange rate factor sensitivity, FX Delta

The net amount of the risk component of each currency at the balance sheet date, that is, the change in the present value of the currency when the change in the exchange rate of each currency is increased by 1%. The exchange rate risk component stated in the following table is not only directly generated from the foreign exchange derivative commodity, but also integrated into the spot foreign exchange trading position for the purpose of hedging and the spot location of each foreign currency.

ii) Interest rate factor sensitivity

When the interest rate term structure of each evaluation yield curve paralleling up by 0.01% (1 basis point), the relative impact on the present value of future cash flows of interest rate spot trading positions and interest rate derivative commodity trading positions (DV01 or PVBP) will be made.

iii) Factor sensitivity of equity securities

The impact of changes in the value of the commodity portion when the spot price of the equity securities changes by 1%. Equity securities held by the Group include stocks, ETFs, etc.

Market Risk	Currency	December 31 2024	December 31 2023
Foreign exchange rate factor sensitivity (exchange rate increase 1%)	USD	$ 587	$ 4
	HKD	(422)	(153)
	JPY	(50)	(54)
	Other (Note)	20	203

(Continued)

Market Risk	Currency	December 31 2024	December 31 2023
Interest rate factor sensitivity DV01 (+1bp)	USD	$ (305)	$ (378)
	TWD	70	105
	AUD	13	22
	Other (Note)	(3)	7
Equity securities factor sensitivity (stock price increase 1%)	TWD	5,157	1,410

(Concluded)

Note: Other foreign currency is equivalent to TWD.

Stress testing

Set extreme risk events or situations to make a significant change at a specific or a range of risk factors, volatility, or correlations to measure the potential significant impact on a portfolio or location. This is the way to redeem the risk values which cannot measure the tail risk.

ii. Interest rate risk of banking book, IRRBB

The interest rate risk source of the bank book includes the interest rate risk arising from the transactions of the business units, such as deposits and lending transactions, as well as the debts held by the business units which manage the liquidity risk of the bank, the spot parts of the tickets and their hedging position. The interest rate risk position is transferred to the centralized management of the bank book management unit under the Bank's internal transfer pricing system (Fund Transfer Pricing, FTP). The risk management unit prepares risk reports regularly which includes interest rate sensitivity analysis, stress test results and limit usage analysis, and then reports to the Asset and Liability Management Committee and the Board of Directors. Management tools set as below.

Repricing Gap report

Measures the amount and the duration of re-pricing assets and liabilities at each point in time to understand the allocation of interest rate risk.

Risk sensitivity of interest rate

i) Mismatch risk of asset-liability interest rate

The impact of a benchmark (0.01%) of interest rate changes on future net interest income is shown by 1 bp Δ NII. The net interest income (1bp Δ NII) analysis focuses on changes in interest payments over the next year.

ii) Financial instrument interest rate risk

The DV01 measures the impact of a basic point of interest rate changes on the value of the site, and evaluates the market value of financial products to ensure that their impact on earnings or shareholders' equity is in line with the Group's risk appetite.

Stress testing

Evaluating the impact of the overall bank book position on the net economic value, in the context of large changes in interest rates. And compare the results with the capital to examine the allowable risk.

iii. Bank book equity securities risk

Bank Book Equity Securities Risk Definition refers to the impact of changes in the value of the commodity portion when the spot price of the equity securities for non-trading purposes changes by 1%. The market value of the financial product is evaluated to ensure its impact on earnings or shareholders' equity conforms to the Group's risk appetite.

Market Risk	Currency	December 31 2024	December 31 2023
Interest rate factor sensitivity DV01 (+1bp)	TWD	$ (59,847)	$ (63,708)
	USD	(22,963)	(24,258)
	AUD	(1,009)	(1,252)
	Other (Note)	(1,292)	(1,307)
Equity securities factor sensitivity (stock price increase 1%)	TWD	52,171	57,367

Note: Other foreign currency is equivalent to TWD

c) Effect of interest rate benchmark reform

The Group is exposed to USD LIBOR which is subject to interest rate benchmark reform. The exposures arise on discounted and loans, financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, and debt investments measured at amortized cost. SOFR (Secured Overnight Financing Rate) has replaced USD LIBOR. There are key differences between USD LIBOR and SOFR. USD LIBOR is "forward looking", which implies market expectation over future interest rates, and includes a credit spread over the risk-free rate. SOFR is currently a "backward-looking" rate, based on interest rates from actual transactions, and excludes a credit spread. To transition existing contracts and agreements that reference USD LIBOR to SOFR, adjustments for these differences might need to be applied to SOFR to enable the two benchmark rates to be economically equivalent.

The Group has completed the USD LIBOR transition plans, and all the affected financial instruments were transitioned to the other alternative rate.

2) Credit risk

Credit risk may be caused by counterparties' failure to perform their obligations associated with financial assets held by the Group. The Group follows a strict credit policy to assess and approve all credit lines and guarantees. The secured loans constituted 72.51% of the total loans on December 31, 2024. The percentage of guarantees and issuance of letters of credit secured by collaterals were 17.37%. The collaterals for loans, financing guarantees and letters of credit guarantees are cash, inventories, securities, plants and other assets. If the customers default on their loans, the Group will execute its rights on the collateral in accordance with the terms of the contracts.

In order to ensure that the credit risk control is within the tolerable range, the Group has relevant risk management policies, and has relevant business management methods or operation points and risk management mechanisms for the goods provided and the business it performs.

a) Credit risk management program

The measurement and management of credit risks from the Group's main businesses are as follows:

i. Loans business

The Group adopts the 12-month ECLs to evaluate the loss allowance of financial instruments whose credit risk do not increase significantly since initial recognition, and adopts the lifetime ECLs to evaluate the loss allowance of financial instruments whose credit risk has increased significantly since initial recognition or of that are credit-impaired. The credit quality of the Group to determine the discounted and loans is as follows:

<u>Assessment of credit risk that has increased significantly since initial recognition</u>

The Group assesses the change in the probability of default of loans during the lifetime on each reporting date to determine if the credit risk has increased significantly since the initial recognition. In order to make this assessment, the Group takes into consideration the reasonable and supportable information that the credit risk has increased significantly since the initial recognition (including forward-looking information). The main considerations include:

<u>Quantitative indicators</u>

i) The TCRI rating of the listed cabinet company corresponding to the external rating has been reduced from the investment grade to the non-investment grade, that is, the credit risk has significantly increased since initial recognition.

ii) When the contract amount is overdue for more than one month, it is determined that the credit risk of the financial asset has increased significantly since initial recognition.

<u>Qualitative indicators</u>

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

ii) 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.

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

<u>Definition of default and credit impairment financial assets</u>

The definition of financial asset default is the same as that of financial asset credit impairment. If one or more of the following conditions are met, the Group determines that the financial asset has defaulted and credit impairment:

<u>Quantitative indicators</u>

i) When the contract amount is overdue for a certain number of days.

ii) The credit amount of the debtor has been regarded as a delinquent loan.

Qualitative indicators

If there is evidence that the borrower will not be able to pay the contract, or that the borrower has significant financial difficulties, such as:

i) The debtor has gone bankrupt or may have called for bankruptcy or financial restructuring.

ii) Due to the economic or contractual reasons associated with the debtor's financial difficulties, the debtor's creditors give the borrower an unconfirmed concession and report the overdue loan.

iii) It is known from external information that the debtor has experienced financial difficulties and needs to bargain with the Bank.

iv) The debtor clearly insolvent.

Evaluation of expected credit losses

The Group classifies the loans into the following classification according to the characteristics of the loans:

<table>
<tr><th>Group</th><th>Evaluation</th><th colspan="2">Classification</th><th>Application</th></tr>
<tr><td rowspan="6">1</td><td rowspan="6">Collective assessment</td><td rowspan="2">Corporate finance</td><td>Sufficient collateral</td><td rowspan="6">Loan case other than group 2</td></tr>
<tr><td>Non-sufficient collateral or credit loans</td></tr>
<tr><td rowspan="4">Consumer finance</td><td>Credit loans</td></tr>
<tr><td>Auto loans</td></tr>
<tr><td>Mortgage</td></tr>
<tr><td>Credit card</td></tr>
<tr><td rowspan="2">2</td><td rowspan="2">Individual assessment</td><td>Corporate finance</td><td rowspan="2">Special collaterals</td><td rowspan="2">Note</td></tr>
<tr><td>Consumer finance</td></tr>
</table>

Note: Loans are classified as Group 2 if they obtain special collateral. Group 2 is assessed on the basis of a significant increase in credit risk or default and credit impairment, and the rest is assessed in accordance with Group 1.

For the classification criteria of loans, the expected credit losses are assessed at each stage of each portfolio classification:

Impairment for expected credit loss (Probability of Default (PD) × Loss Given Default (LGD) × Exposure at default (EAD)), the application of PD is described as follows:

i) Stage 1: The Group evaluates loss allowance of financial assets, which credit risk did not significantly increase after initial recognition, based on 12 months PD to evaluate expected credit losses.

ii) Stage 2: The Group evaluates loss allowance of financial assets, which credit risk significantly increased after initial recognition, based on lifetime expected credit losses, and calculates PD at each lifetime. If the cash flow of the contract in the future period (i.e., the default exposure amount of each period) can be assessed, the cash flow method is used to assess the expected credit losses. If the cash flow of each period cannot be assessed, then calculate the expected credit losses by the current mark-to-market method.

iii) Stage 3: The Group evaluates loss allowance of financial assets, which credit risk will be regarded as default, and the probability of default is regarded as 100%. PD at each lifetime will not be considered. Recoverable amounts will be applied to assess expected credit losses.

Consideration of forward - looking estimation

In considering the expected credit losses, the Group uses forward-looking economic factors that affect credit risk and expected credit losses to take forward-looking information into consideration. Forward-looking information is based on the Taiwan National Development Council's regular promulgation of the "Benefit Strategy Signal" of Taiwan's overall prosperity indicators as indicators, which are divided into the boom expansion period, contraction period and flat period. The Group judges the economic situation to adjust the default probability every quarter, and then incorporates into the overall expected credit loss assessment.

ii. Debt instrument investments

In order to reduce the credit risk of debt instrument investment, the Group management team assigns a dedicated team to establish a credit rating database to assess the default risk of debt instrument investments. The information on the evaluation of the independent rating agencies.

The Group considers the historical default loss rate provided by the external rating agencies and the current financial status of the debtor to calculate 12 months and lifetime ECLs of financing commitments in debt instrument investments.

The securities held by the Group recognize the expected credit losses according to the expected credit losses during and lifetime ECLs of financing commitments. The credit quality of the Group's judgment securities is as follows:

Assessment of credit risk that has increased significantly since initial recognition

The Group assesses the change in the probability of default of debt instrument investments during the lifetime on each reporting date to determine if the credit risk has increased significantly since the initial recognition. In order to make this assessment, the Group considerations show reasonable and supportable information that the credit risk has increased significantly since the initial recognition. The main considerations include:

Quantitative indicators

i) For debt instrument investments on the initial recognition date, the issuer's credit rating is below the non-investment grade and the credit rating of the reporting day has not changed.

ii) When the issuer's credit rating is a non-investment grade, the reported daily credit rating is reduced to a certain extent.

Quantitative indicators

i) The credit rating of the issuer indicates that its credit risk has increased significantly.

ii) The fair value of the debt instrument investment was significantly adversely changed on the reporting date.

Definition of default and credit impairment financial assets

If the debt instrument investment meets one or more of the following conditions, it determines that the financial asset has defaulted and the credit is derogated.

Qualitative indicators

i) Debt instrument investment is a credit impairment bond when purchased.

ii) The credit rating of the issuer or debt instrument investment is at a default level on the reporting date.

Quantitative indicators

i) The issuer modifies the issue conditions of the debt instrument investment due to financial difficulties or fails to pay the principal or interest according to the conditions of the issue.

ii) The issuer or the guarantee institution has ceased operations, applied for reorganization, bankruptcy, dissolution, and sale of major assets that have a significant impact on the company's continued operations.

Measurement of expected credit losses

i) Debt instrument investment is classified in a group with similar type, the Group then assesses expected credit loss at each group by IFRS 9 impairment evaluation guide.

ii) Comparing the risk of default on the dated debt instrument with the default risk at the time of initial recognition, and considering the reasonable and corroborative information showing a significant increase in credit risk since the initial recognition, to determine whether the financial instrument's credit risk since the original recognition has increased significantly.

- The Group evaluates loss allowance of financial assets, which credit risk did not significantly increase after initial recognition, based on 12 months PD to evaluate expected credit losses.

- The Group evaluates loss allowance of financial assets, which credit risk significantly increased after initial recognition, based on lifetime expected credit losses, and calculates PD at each lifetime. If the cash flow of the contract in the future period (i.e., the default exposure amount of each period) can be assessed, the cash flow method is used to assess the expected credit losses. If the cash flow of each period cannot be assessed, then calculate the expected credit losses by the current mark-to-market method.

- The Group evaluates loss allowance of financial assets, which credit risk will be regarded as default, and the probability of default is regarded as 100%. PD at each lifetime will not be considered. Recoverable amounts will be applied to assess expected credit losses.

- Debt instrument investment default probability is based on the value published by external credit rating agencies, and imply the possibility of future market fluctuations.

b) Credit risk hedging or mitigation policies

i. Collaterals

The Group has a series of measures for credit granting to reduce credit risks. One of the procedures is requesting collateral from the borrowers. To secure the loans, the Group manages and assesses the collaterals following the procedures that suggest the scope of collateralization and valuation of collaterals and the process of disposition. In credit contracts, the Group stipulates the security mechanism for loans and the conditions and terms for collaterals and offsetting to state clearly that the Group reserves the right to reduce granted limit, to reduce repayment period, to demand immediate settlement or to offset the debt of the borrowers with their deposits in the Group in order to reduce the credit risks.

The requirements for collaterals for other non-credit businesses depend on the nature of the financial instruments. Asset-backed securities and similar financial instruments are required to provide a pool of underlying financial assets as collaterals.

The Group observes the value of the collateral of the financial instrument and considers the financial assets that are deducted from the credit impairment. The credit of financial assets that have been deducted and the value of collateral to mitigate potential losses on December 31, 2024, was as follows:

	Total Book Value	Allowance for Impairment	Exposure (Amortized Cost)	Fair Value of Collaterals
Credit-impaired financial assets				
Discounted and loans	$ 4,403,758	$ (1,173,365)	$ 3,230,393	$ 3,230,393
Receivables				
Credit card	61,182	(40,050)	21,132	-
Others	728,011	(566,643)	161,368	-
Other financial assets	6,958	(5,259)	1,699	-
	$ 5,199,909	$ (1,785,317)	$ 3,414,592	$ 3,230,393

The collateral which contains land and buildings obtained by the Group have been written off and recognized as collateral assumed (Note 20) as of December 31, 2024. The collateral will be sold when it is available for sale. The collateral is classified as other assets in the balance sheet. The difference between the price and the carrying amount is recognized as net gain (loss) on the sale of collateral assumed under the net income item.

ii. Credit risk concentration limits and control

To avoid the concentration of credit risks, the Group has included credit limits for the same person (entity) and for the same related-party corporation (group) based on the credit risk arising from loans, securities investment and derivatives transactions.

Meanwhile, for trading and banking book investments, the Group has set a ratio, which is the credit limit of a single issuer in relation to the total security position. The Group has also included credit limits for a single counterparty and a single group.

In addition, to manage the concentration risk on the financial assets, the Group has set credit limits by industry, conglomerate, country and transactions collateralized by stocks, and integrated within one system to supervise concentration of credit risk in these categories. The Group monitors concentration of each asset and controls various types of credit risk concentration in a single transaction counterparty, group, related-party corporation, industry or nation.

iii. Other credit enhancements

To reduce its credit risks, the Group stipulates in its credit contracts the terms for offsetting to state clearly that the Group reserves the right to offset the borrowers' debt against their deposits in the Group.

c) Objects of assessing credit risks are including positive fair value of contracts on balance sheet and off-balance sheet commitments. Maximum exposure to credit risk of all financial instruments is the same as book value.

i. Off-balance sheet exposure of credit risk

Financial Instrument	December 31 2024	December 31 2023
Guarantees	$ 27,831,838	$ 23,765,579
Letters of credit	3,696,057	3,225,711
Loan commitments (excluding credit card)	349,267,297	274,688,293
Loan commitments - credit card	116,934,813	116,304,775

ii. Risk concentration

When the other parties to the financial instruments consist of a single individual, or a concentration of entities with similar commercial activities, they may have similar abilities to fulfill their credit obligations. The Group does not have such situation. The Group's credit exposure related to loans on December 31, 2024 was classified as follows:

Industry	Contract Amount	Maximum Exposure of Credit Risk
Individuals	$ 548,616,807	$ 548,616,807
Finance and insurance	363,119,567	363,119,567
Manufacturing	115,839,717	115,839,717
Real estate and leasing	86,646,027	86,646,027
Wholesale and retail	42,220,930	42,220,930
Servicing	15,596,433	15,596,433
Utilities	124,218,328	124,218,328
Warehouse and transportation	1,989,351	1,989,351
Others	52,074,924	52,074,924
	$ 1,350,322,084	$ 1,350,322,084

Region	Contract Amount	Maximum Exposure of Credit Risk
Domestic	$ 1,131,858,634	$ 1,131,858,634
North America	63,115,952	63,115,952
Europe	77,354,322	77,354,322
Asia	57,323,858	57,323,858
Oceania	17,881,435	17,881,435
Africa	2,787,883	2,787,883
	$ 1,350,322,084	$ 1,350,322,084

d) Financial assets credit quality analysis

Part of financial assets held by the Group, such as cash and cash equivalents, placement with Central Bank and call loans to other banks and financial assets at fair value through profit or loss are exposed to low credit risks because the counterparties have rather high credit ratings. Except for those mentioned above, the credit quality of the Group's remaining financial assets was analyzed as follows:

December 31, 2024

i. Credit quality analysis of discounted and loans and receivables:

	Discounted and Loans				
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	Difference of Impairment Loss under Regulations	Total
Category					
Consumer loans	$ 442,683,219	$ 13,231,808	$ 2,780,901	$ -	$ 458,695,928
Corporation loans	362,508,485	31,682,677	1,622,857	-	395,814,019
Total book value	805,191,704	44,914,485	4,403,758	-	854,509,947
Allowance for impairment	(2,007,873)	(1,560,650)	(1,173,365)	-	(4,741,888)
Difference of impairment loss under regulations	-	-	-	(6,246,761)	(6,246,761)
	$ 803,183,831	$ 43,353,835	$ 3,230,393	$ (6,246,761)	$ 843,521,298

	Receivables and Other Financial Assets				
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	Difference of Impairment Loss under Regulations	Total
Category					
Credit card	$ 8,544,591	$ 527,859	$ 61,182	$ -	$ 9,133,632
Others	111,540,212	526,075	734,969	-	112,801,256
Total book value	120,084,803	1,053,934	796,151	-	121,934,888
Allowance for impairment	(26,483)	(63,034)	(611,952)	-	(701,469)
Difference of impairment loss under regulations	-	-	-	(208,035)	(208,035)
	$ 120,058,320	$ 990,900	$ 184,199	$ (208,035)	$ 121,025,384

	Loan Commitment				
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	Difference of Impairment Loss under Regulations	Total
Category					
Guarantees	$ 27,831,838	$ -	$ -	$ -	$ 27,831,838
Letter of credit	3,581,112	114,945	-	-	3,696,057
Others	117,110,506	969,084	-	-	118,079,590
Total book value	148,523,456	1,084,029	-	-	149,607,485
Allowance for impairment	(103,727)	(3,048)	-	-	(106,775)
Difference of impairment loss under regulations	-	-	-	(628,299)	(628,299)
	$ 148,419,729	$ 1,080,981	$ -	$ (628,299)	$ 148,872,411

December 31, 2023

i. Credit quality analysis of discounted and loans and receivables:

	Discounted and Loans				
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	Difference of Impairment Loss under Regulations	Total
Category					
Consumer loans	$ 428,625,673	$ 15,157,538	$ 2,935,391	$ -	$ 446,718,602
Corporation loans	334,910,614	23,205,522	1,339,722	-	359,455,858
Total book value	763,536,287	38,363,060	4,275,113	-	806,174,460
Allowance for impairment	(1,865,650)	(1,488,319)	(1,304,507)	-	(4,658,476)
Difference of impairment loss under regulations	-	-	-	(5,766,373)	(5,766,373)
	$ 761,670,637	$ 36,874,741	$ 2,970,606	$ (5,766,373)	$ 795,749,611

	Receivables and Other Financial Assets				
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	Difference of Impairment Loss under Regulations	Total
Category					
Credit card	$ 8,159,205	$ 521,029	$ 39,572	$ -	$ 8,719,806
Others	111,120,227	80,865	817,099	-	112,018,191
Total book value	119,279,432	601,894	856,671	-	120,737,997
Allowance for impairment	(25,035)	(29,039)	(688,478)	-	(742,552)
Difference of impairment loss under regulations	-	-	-	(197,241)	(197,241)
	$ 119,254,397	$ 572,855	$ 168,193	$ (197,241)	$ 119,798,204

	Loan Commitment				
	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	Difference of Impairment Loss under Regulations	Total
Category					
Guarantees	$ 23,765,579	$ -	$ -	$ -	$ 23,765,579
Letter of credit	3,223,527	2,184	-	-	3,225,711
Others	115,486,506	929,641	-	-	116,416,147
Total book value	142,475,612	931,825	-	-	143,407,437
Allowance for impairment	(86,422)	(1,793)	-	-	(88,215)
Difference of impairment loss under regulations	-	-	-	(871,462)	(871,462)
	$ 142,389,190	$ 930,032	$ -	$ (871,462)	$ 142,447,760

ii. Credit quality analysis of securities investment:

Debt instrument credit quality analysis

The breakdown below shows the debt instruments classified as FVTPL, FVTOCI and financial assets at amortized cost.

December 31, 2024

	Financial Asset at FVTOCI	Financial Asset at Amortized Cost
Total book value	$ 187,427,903	$ 67,232,697
Allowance loss	(33,783)	(21,173)
Amortized cost	187,394,120	67,211,524
Fair value adjustment	(10,509,739)	-
	$ 176,884,381	$ 67,211,524

December 31, 2023

	Financial Asset at FVTOCI	Financial Asset at Amortized Cost
Total book value	$ 185,170,745	$ 60,470,583
Allowance loss	(36,020)	(13,991)
Amortized cost	185,134,725	60,456,592
Fair value adjustment	(10,059,751)	-
	$ 175,074,974	$ 60,456,592

The total book value of the current credit risk rating mechanism of the Group and the investments in debt instruments of each credit rating are as follows:

December 31, 2024

Credit Rating	Definition	Recognition basis	Expected credit loss	Total Book Value
Normal (Stage 1)	The debtor has a low credit risk and is fully capable of paying off contractual cash flows	12-month expected credit losses	0.00%-0.33%	$ 254,660,600
Abnormal (Stage 2)	Credit risk has increased significantly since the initial recognition	Lifetime expected credit losses (no credit impaired)		-
Default (Stage 3)	There is evidence that the credit is impaired.	Lifetime expected credit (credit impaired)		-

December 31, 2023

Credit Rating	Definition	Recognition basis	Expected credit loss	Total Book Value
Normal (Stage 1)	The debtor has a low credit risk and is fully capable of paying off contractual cash flows	12-month expected credit losses	0.00%-0.33%	$ 245,641,328
Abnormal (Stage 2)	Credit risk has increased significantly since the initial recognition	Lifetime expected credit losses (no credit impaired)		-
Default (Stage 3)	There is evidence that the credit is impaired.	Lifetime expected credit (credit impaired)		-

Debt instrument credit quality analysis as follow:

December 31, 2024

Category	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	Difference of Impairment Loss under Regulations	Total
Domestic bond					
Investment grade	$ 152,272,899	$ -	$ -	$ -	$ 152,272,899
Non-investment grade	649,541	-	-	-	649,541
Foreign bond					
Investment grade	91,228,421	-	-	-	91,228,421
Total book value	244,150,861	-	-	-	244,150,861
Allowance for impairment	(54,956)	-	-	-	(54,956)
Difference of impairment loss under regulations	-	-	-	-	-
	$ 244,095,905	$ -	$ -	$ -	$ 244,095,905

December 31, 2023

Category	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	Difference of Impairment Loss under Regulations	Total
Domestic bond					
Investment grade	$ 151,995,259	$ -	$ -	$ -	$ 151,995,259
Non-investment grade	148,592	-	-	-	148,592
Foreign bond					
Investment grade	83,437,726	-	-	-	83,437,726
Total book value	235,581,577	-	-	-	235,581,577
Allowance for impairment	(50,011)	-	-	-	(50,011)
Difference of impairment loss under regulations	-	-	-	-	-
	$ 235,531,566	$ -	$ -	$ -	$ 235,531,566

With respect to debt investments at FVTOCI and measured at amortized measured cost invested by the Group, the information of changes in allowance is summarized as follows:

For the year ended December 31, 2024

The Allowance Information Summarized According to the Credit Risk Rating	Credit Rating: Normal (12-Month Expected Credit Losses)	Abnormal (Lifetime ECL Without Credit Impaired)	Default (Lifetime ECL with Credit Impaired)
Balance, beginning of year	$ 50,011	$ -	$ -
Change credit rating			
Normal turned to abnormal	-	-	-
Abnormal turned to default	-	-	-
Default turned to write off	-	-	-
Purchase new debt instruments	11,669	-	-
Disposal	(6,748)	-	-
Model/risk parameter changes	-	-	-
Exchange rate and other changes	24	-	-
Allowance loss, ending of year	$ 54,956	$ -	$ -

For the year ended December 31, 2023

The Allowance Information Summarized According to the Credit Risk Rating	Credit Rating: Normal (12-Month Expected Credit Losses)	Abnormal (Lifetime ECL Without Credit Impaired)	Default (Lifetime ECL with Credit Impaired)
Balance, beginning of year	$ 46,737	$ -	$ -
Change credit rating			
Normal turned to abnormal	-	-	-
Abnormal turned to default	-	-	-
Default turned to write off	-	-	-
Purchase new debt instruments	7,673	-	-
Disposal	(4,387)	-	-
Model/risk parameter changes	-	-	-
Exchange rate and other changes	(12)	-	-
Allowance loss, ending of year	$ 50,011	$ -	$ -

3) Liquidity risk

Ratios of liquidity reserves of the Group are 19% and 22% on December 31, 2024 and 2023, respectively.

Liquidity risk means the risk that the Group could not provide enough capital to deal with either the increase in assets or payment of obligation upon maturity. The Group classifies the factor into the following classification according to the cause of the risk:

Founding liquidity risk

Refers to the risk that the Group will be unable to monetize assets or obtain sufficient funds for dealing with the payment of obligation upon maturity.

Market liquidity risk

Refers to the lack of market depth or presence of market disorder, which causes the Group to face the risk of a significant decline in market prices when it sells or offsetting the positions. Especially when market liquidity freezes, it is very likely that actual losses will be much greater than expected losses.

Management purpose and principle of liquidity risk

If the elimination of liquidity risks may be relatively costly, the purpose of liquidity management is to achieve a balance between surplus and risk within a tolerable range. The Group clearly defined the rights and responsibilities of each unit in accordance with relevant regulations on liquidity risk management, and through the procedures of identification, measurement, monitoring, and reporting as a mechanism for the liquidity risk management of the Group. The principles of management of liquidity risk for the Group are as follows:

a) Principle of Diversification

   The Group should avoid excessive concentration of funds on the same maturity date, scheduling tool, region, source of funds or counterparties.

b) Principle of Stability

   The Group should develop a strategy to obtain stable funding.

c) Market Liquidity

   The assets of each book should maintain proper market liquidity as the goodness of market liquidity will indirectly affect the funding liquidity.

d) Matching of the expiry date of assets and liabilities

   Set the relevant indicators for monitoring the suitability of short-term and long-term objectives.

e) Management of financing source

   Reduce reliance on unstable financing sources such as large deposits and interbank lending.

f) Management of financing needs

   Control of payment commitments derived from loans business.

Measurement of liquidity risk

The Group formulates liquidity management indicators and management mechanisms for each major currency, mainly covering the following:

a) Current ratio
b) Analysis of funding gap
c) Structure of asset and liability
d) Concentration of funding sources

In addition, the Group standardizes management principles for fund requirements for off-balance-sheet transactions, large-capital notification mechanisms, early warning mechanisms, and formulates emergency plans for liquidity risks, as well as for liquid assets for financial asset positions held by the Group, sets allocation proportion and order of disposal according to liquidity attributes.

Stress testing

The stress test of liquidity risk is used to detect the ability of the Group to meet the funding gap under extreme adverse market conditions to ensure that the Group can withstand sudden events. The survival horizon and stress scenario of the Group's stress test contains at least:

a) General market pressure scenarios
b) Possible stress situations unique to the Group

Further, the Group to estimate the remaining funds during the survival horizon in each stress situation. If there is a negative funding gap or a significant liquidity slowdown during the survival horizon, it should be investigated in a timely manner, including capital injection and other means to increase the cash flow cover ratio.

a) Maturity analysis of non-derivative financial liabilities

The Group's non-derivative financial liabilities presented based on the residual maturities from the balance sheet date to the contract maturity date were as follows:

Financial Instruments Item	December 31, 2024					
	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Deposits of Central Bank and other banks	$ 2,164,657	$ 1,018,082	$ 223,503	$ 11,078,137	$ 66	$ 14,484,445
Bills and bonds sold under repurchase agreement	3,343,977	7,039,487	-	-	-	10,383,464
Payables	6,397,204	1,190,871	1,171,382	700,717	283,123	9,743,297
Deposits and remittances	205,681,195	165,892,632	136,237,826	256,520,371	357,667,194	1,121,999,218
Bank debentures	-	-	-	-	28,200,000	28,200,000
Lease liabilities	51,199	105,534	157,419	317,155	2,090,383	2,721,690
Other maturity items	2,255,407	1,251,347	1,796,857	2,940,575	38,948,861	47,193,047

Financial Instruments Item	December 31, 2023					
	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Deposits of Central Bank and other banks	$ 288,901	$ 254,130	$ 223,521	$ 78,169	$ 529	$ 845,250
Bills and bonds sold under repurchase agreement	2,329,304	7,311,369	-	-	-	9,640,673
Payables	6,761,569	694,712	1,044,604	675,162	269,334	9,445,381
Deposits and remittances	224,063,672	153,936,791	116,859,036	245,164,829	355,348,596	1,095,372,924
Bank debentures	-	-	-	2,500,000	25,700,000	28,200,000
Lease liabilities	50,928	105,175	156,176	319,265	2,151,651	2,783,195
Other maturity items	2,039,288	2,293,265	3,345,005	4,281,426	22,852,863	34,811,847

b) Maturity analysis of derivative financial liabilities

i. Derivative instruments that settle on a net basis

The Derivative instruments that settle on a net basis include:

Foreign exchange derivative: Interest rate swap contracts.

We evaluate the expiry days of derivative instruments which are shown in the balance sheet. The amounts in the balance sheet are based on cash flow. Therefore, some amounts do not correspond to the consolidated balance sheet. The analysis as follows:

Financial Instruments Item	December 31, 2024					
	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Derivative financial instrument at FVTPL Derivative	$ (74,851)	$ (149,360)	$ (139,023)	$ (222,580)	$(1,182,685)	$(1,768,499)

Financial Instruments Item	December 31, 2023					
	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Derivative financial instrument at FVTPL Derivative	$ (86,208)	$ (161,357)	$ (211,859)	$ (272,988)	$(1,549,265)	$(2,281,677)

ii. Derivative instruments that settle on a gross basis

The derivative instruments that settle on a gross basis include:

Foreign exchange derivative: Foreign exchange forward contracts, foreign exchange swap contracts, foreign exchange options.

The Group conducted maturity analysis of off-balance sheet items based on the residual maturities as of the balance sheet dates. For the financial guarantee contracts issued, the maximum amounts of the guarantees are included in the earliest periods that the guarantee obligation might have been required to be fulfilled. The amounts used in the maturity analysis of off-balance sheet items are based on contractual cash flows, so some of these amounts may not correspond to those shown in the balance sheets.

Item	December 31, 2024					
	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Derivative financial instrument at FVTPL						
Outflows	$ 13,027,342	$ 2,202,071	$ 4,559,910	$ 3,751,931	$ -	$ 23,541,254
Inflows	12,727,009	2,110,744	4,359,812	3,607,955	-	22,805,520
Net flows	$ (300,333)	$ (91,327)	$ (200,098)	$ (143,976)	$ -	$ (735,734)

Item	December 31, 2023					
	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Derivative financial instrument at FVTPL						
Outflows	$ 70,160,151	$ 52,942,311	$ 10,028,965	$ 7,239,394	$ -	$ 140,370,821
Inflows	69,062,308	51,847,920	9,881,925	7,186,257	-	137,978,410
Net flows	$ (1,097,843)	$ (1,094,391)	$ (147,040)	$ (53,137)	$ -	$ (2,392,411)

4) Maturity analysis of off-balance-sheet items

Item	December 31, 2024					
	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Developed and irrevocable loan commitments	$ -	$ -	$ -	$ -	$ 1,144,777	$ 1,144,777
Irrevocable credit	-	-	-	-	1,763,304	1,763,304
Letters of credit	765,242	2,476,959	280,212	22,926	150,718	3,696,057
Guarantees	4,118,715	5,445,173	1,248,784	4,031,349	12,987,817	27,831,838
Total	$ 4,883,957	$ 7,922,132	$ 1,528,996	$ 4,054,275	$ 16,046,616	$ 34,435,976

Item	December 31, 2023					
	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Developed and irrevocable loan commitments	$ -	$ -	$ -	$ -	$ 111,372	$ 111,372
Irrevocable credit	11	3	-	-	1,778,109	1,778,123
Letters of credit	720,552	1,832,356	579,965	92,838	-	3,225,711
Guarantees	5,612,497	4,905,227	1,706,492	2,959,785	8,581,578	23,765,579
Total	$ 6,333,060	$ 6,737,586	$ 2,286,457	$ 3,052,623	$ 10,471,059	$ 28,880,785

5) Cash flow and fair value risk of interest rate fluctuation

The floating-rate assets/liabilities held by the Group may take risks of future cash inflow/outflow. The Group mitigates the cash outflow risks by controlling the interest sensitivity gap.

38. RISK CONTROL AND HEDGE STRATEGY

The risk control activities and hedge strategy of the Group are affected by the customer-oriented nature of the banking industry and the restrictions of law. Under this circumstance, an all-around and total risk management and control system has been implemented to recognize, measure and control all the risks of the Group.

The market risk management objective is to hold the best risk position, maintain adequate liquidity and concentrate on all market risks by thoroughly studying the risk factors including economic environment, competitive situation, market value risk and the influence on net interest revenue; therefore, to avoid net cash flow and market value risks, cash flow hedge and fair value hedge are the main hedge strategy of the Group.

The Group uses two types of hedging relationship to manage the risks: Cash flow hedge and fair value hedge. Cash flow hedge is used to avoid interest rate risk, and fair value hedge is used to reduce market value risk.

Fair value hedge involves transfer of fixed income or structured transaction to floating income. The Group uses fair value hedge to transfer non-monetary-linked bonds to become monetary-linked bonds following the current policy. The Group set up the strategy of fair value hedge of interest rate exposure to hedge certain loans, deposits, and fixed interest or structured liabilities. The Group primarily uses interest rate swap to hedge fair value risk. In addition, cross-currency swaps, swap options, interest rate caps and floors, and other derivatives may be used as hedging instruments.

To hedge interest rate risk, a great part of the Group's financial instruments are fixed-interest-rate instruments. The Group also transferred instruments linked to the money market to fixed-interest-rate instruments. Interest rate swap contracts are the prime hedging instruments against interest rate fluctuations. In addition, cross-currency swaps, swap options, interest rate caps and floors, and other derivatives may be used by the Group as hedging instruments.

39. INFORMATION ABOUT THE BANK

Asset Quality

(In Thousands of New Taiwan Dollars, %)

Category			December 31, 2024				
Items			Nonperforming Loan (Note 1)	Total Loan	NPL Ratio (Note 2)	Loan Loss Reserve	Coverage Ratio (Note 3)
Corporate loans	Secured		$ 663,111	$ 209,311,102	0.32%	$ 2,190,894	330.40%
	Unsecured		7,819	186,224,664	-	1,979,102	25,311.73%
Consumer loans	Mortgage (Note 4)		37,622	202,213,279	0.02%	3,145,893	8,361.78%
	Cash card		-	147	-	142	-
	Micro credit (Note 5)		132,601	47,274,108	0.28%	1,411,388	1,064.38%
	Other (Note 6)	Secured	169,301	207,890,928	0.08%	2,244,436	1,325.71%
		Unsecured	808	1,317,466	0.06%	16,794	2,077.35%
Loans			1,011,262	854,231,694	0.12%	10,988,649	1,086.63%

(In Thousands of New Taiwan Dollars, %)

Category			December 31, 2023				
Items			Nonperforming Loan (Note 1)	Total Loan	NPL Ratio (Note 2)	Loan Loss Reserve	Coverage Ratio (Note 3)
Corporate loans	Secured		$ 206,666	$ 191,202,490	0.11%	$ 1,941,744	939.56%
	Unsecured		296,806	168,035,682	0.18%	1,993,404	671.62%
Consumer loans	Mortgage (Note 4)		80,313	210,498,013	0.04%	3,255,288	4,053.26%
	Cash card		-	215	-	201	-
	Micro credit (Note 5)		205,364	47,376,294	0.43%	1,193,732	581.28%
	Other (Note 6)	Secured	150,169	187,855,900	0.08%	2,021,688	1,346.27%
		Unsecured	2,289	988,180	0.23%	18,792	821.11%
Loans			941,607	805,956,774	0.12%	10,424,849	1,107.13%

(In Thousands of New Taiwan Dollars, %)

Category	December 31, 2024				
Items	Overdue Receivable	Account Receivable	Delinquency Ratio	Allow for Credit Losses	Coverage Ratio
Credit card	$ 15,275	$ 9,147,763	0.17%	$ 198,154	1,297.26%
Account receivable without recourse (Note 7)	-	617,501	-	16,208	-

(In Thousands of New Taiwan Dollars, %)

Category	December 31, 2023				
Items	Overdue Receivable	Account Receivable	Delinquency Ratio	Allow for Credit Losses	Coverage Ratio
Credit card	$ 15,423	$ 8,736,359	0.18%	$ 177,824	1,152.99%
Account receivable without recourse (Note 7)	-	770,284	-	20,040	-

Non-reportable overdue loans and receivable

	December 31, 2024		December 31, 2023	
	Non-Reportable NPL Balance	**Non-reportable Overdue Receivable Balance**	**Non-Reportable NPL Balance**	**Non-reportable Overdue Receivable Balance**
Non-reportable amount upon performance of debt negotiation program (Note 8)	$ 1,036	$ 29,143	$ 1,730	$ 43,560
Amount received from performance of debt negotiation program (Note 9)	204,716	189,706	141,449	180,776
Total	205,752	218,849	143,179	224,336

Note 1: The amount recognized as non-performing loans (NPLs) is in compliance with the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans." Nonperforming credit loans represent the amounts of nonperforming loans reported to the FSC, as required by the FSC in its letter dated July 6, 2005 (Ref. No. 094400378).

Note 2: Nonperforming loan ratio = Nonperforming loans ÷ Outstanding loan balance; Nonperforming credit loan ratio = Nonperforming loans ÷ Accounts receivable balance.

Note 3: Allowance for doubtful accounts ratio = Allowance for doubtful accounts in loans ÷ Overdue loans; Allowance for doubtful accounts ratio of credit card = Allowance for doubtful accounts in credit cards ÷ Overdue loans.

Note 4: Home mortgage refer to financing obtained to buy, build, or fix houses owned by the borrowers' spouse or children, with the house used as loan collateral.

Note 5: Micro credit is covered by the FSC pronouncement dated December 19, 2005 (Ref No. 09440010950) and is excluded from credit card and cash card loans.

Note 6: "Others" under consumer loans refers to secured or unsecured loans other than mortgage loans, cash cards, micro credit, and credit cards.

Note 7: As required by the FSC in its letter dated July 19, 2005 (Ref No. 094000494), provision for bad debt is recognized once no compensation is made by a factor or insurance company for accounts receivable factored without recourse.

Note 8: Accounts under "loans not required to be classified as NPL upon performance of a debt negotiation program" and "accounts receivable not required to be classified as overdue receivable upon debt negotiation program" were processed according the FSC pronouncement dated April 25, 2006 (Ref No. 09510001270).

Note 9: Accounts under "loans not required to be classified as NPL upon performance of a debt discharge program and rehabilitation program" and "accounts receivable not required to be classified as overdue receivable upon debt discharge program and rehabilitation program" were processed according the FSC pronouncement dated September 15, 2008 (Ref No. 09700318940) and September 20, 2016 (Ref No. 10500134790).

Concentration of Credit Extensions

(In Thousands of New Taiwan Dollars, %)

December 31, 2024			
Top 10 Rank (Note 1)	**Group (Note 2)**	**Total Credit (Note 3)**	**Percentage of Net Worth (%)**
1	Group A (016811 real estate activities for sale and rental with own or leased property)	$ 5,532,712	7.13
2	Group B (016811 real estate activities for sale and rental with own or leased property)	5,103,337	6.58
3	Group C (016811 real estate activities for sale and rental with own or leased property)	3,948,252	5.09
4	Group D (011810 manufacture of raw chemical material)	3,709,854	4.78
5	Group E (016700 real estate development activities)	3,296,151	4.25
6	Group F (016499 other financial service activities not elsewhere classified)	3,179,227	4.10
7	Group G (016700 real estate development activities)	3,099,102	3.99
8	Group H (011129 weaving of other textiles)	3,000,000	3.87
9	Group I (016700 real estate development activities)	2,925,943	3.77
10	Group J (016700 real estate development activities)	2,767,400	3.57

(In Thousands of New Taiwan Dollars, %)

December 31, 2023			
Top 10 Rank (Note 1)	**Group (Note 2)**	**Total Credit (Note 3)**	**Percentage of Net Worth (%)**
1	Group A (016811 real estate activities for sale and rental with own or leased property)	$ 5,489,912	7.33
2	Group B (016811 real estate activities for sale and rental with own or leased property)	4,947,000	6.60
3	Group K (016700 real estate development activities)	4,457,670	5.95
4	Group L (012630 manufacture of bare printed circuit boards)	3,910,927	5.22
5	Group J (016700 real estate development activities)	3,595,675	4.80
6	Group M (016811 real estate activities for sale and rental with own or leased property)	3,592,219	4.79
7	Group D (011810 manufacture of raw chemical material)	3,464,888	4.62
8	Group N (011810 manufacture of raw chemical material)	3,417,559	4.56
9	Group H (011129 weaving of other textiles)	3,170,000	4.23
10	Group O (012630 manufacture of bare printed circuit boards)	3,136,470	4.19

Note 1: The ranking is arranged in descending order of outstanding loan balance, excluding all the government entities and nation-owned enterprises. If the borrower is a member company of a group, then the disclosed amount will be the total granted loan amount of that entire group.

Note 2: According to Article 6 of the "Supplementary Provisions to the Stock Exchange Corporation Criteria for the Review of Securities Listings", "Group" refers to the entity that has a controlling or subordinate relationship with the counter-party that obtained loans from the Bank.

Note 3: Credit balance means the sum of all the loan (including import bill negotiated, discounted export bills negotiated, overdrafts, short-term secured and unsecured loans, marginal receivables, medium-term secured and unsecured loans, long-term secured and unsecured loans and overdue receivables), exchange bills negotiated, accounts receivable factored without recourse, acceptances notes receivable, and guarantees issued.

Interest Rate Sensitivity Information

Interest Rate Sensitivity
December 31, 2024

(In Thousands of New Taiwan Dollars, %)

Item	1 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year	Total
Interest-sensitive assets	$ 834,993,922	$ 18,370,410	$ 17,227,351	$ 191,268,727	$1,061,860,410
Interest-sensitive liabilities	295,349,924	474,813,156	175,672,037	33,457,629	979,292,746
Interest sensitivity gap	539,643,998	(456,442,746)	(158,444,686)	157,811,098	82,567,664
Net equity					77,614,674
Ratio of interest-sensitive assets to liabilities					108.43
Ratio of interest sensitivity gap to net equity					106.38

December 31, 2023

(In Thousands of New Taiwan Dollars, %)

Item	1 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year	Total
Interest-sensitive assets	$ 760,428,999	$ 22,197,102	$ 18,476,545	$ 209,002,491	$1,010,105,137
Interest-sensitive liabilities	301,043,996	450,014,519	149,668,476	29,765,676	930,492,667
Interest sensitivity gap	459,385,003	(427,817,417)	(131,191,931)	179,236,815	79,612,470
Net equity					74,917,454
Ratio of interest-sensitive assets to liabilities					108.56
Ratio of interest sensitivity gap to net equity					106.27

Note 1: The above amounts included only New Taiwan dollar amounts held by the head office and branches of the Bank (i.e., excluding foreign currency).

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

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 (in New Taiwan dollars).

Interest Rate Sensitivity
December 31, 2024

(In Thousands of U.S. Dollars, %)

Item	1 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year	Total
Interest-sensitive assets	$ 2,943,484	$ 169,773	$ 127,178	$ 1,681,123	$ 4,921,558
Interest-sensitive liabilities	3,904,521	505,655	489,634	4,753	4,904,563
Interest sensitivity gap	(961,037)	(335,882)	(362,456)	1,676,370	16,995
Net equity					2,367,673
Ratio of interest-sensitive assets to liabilities					100.35
Ratio of interest sensitivity gap to net equity					0.72

December 31, 2023

(In Thousands of U.S. Dollars, %)

Item	1 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year	Total
Interest-sensitive assets	$ 3,131,613	$ 238,053	$ 94,664	$ 1,781,271	$ 5,245,601
Interest-sensitive liabilities	4,302,825	594,412	442,593	7,749	5,347,579
Interest sensitivity gap	(1,171,212)	(356,359)	(347,929)	1,773,522	(101,978)
Net equity					2,437,529
Ratio of interest-sensitive assets to liabilities					98.09
Ratio of interest sensitivity gap to net equity					(4.18)

Note 1: The above amounts included only U.S. dollar amounts held by the head office, domestic branches, OBU and overseas branches of the Bank and excluded contingent assets and contingent liabilities.

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

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 (in U.S. dollars).

Profitability

(%)

Item		For the Year Ended December 31, 2024	For the Year Ended December 31, 2023
Return on total assets	Pretax	0.69	0.67
	After tax	0.56	0.55
Return on net equity	Pretax	11.64	12.01
	After tax	9.46	9.81
Profit margin		33.89	34.13

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: Net income ratio = Income after income tax ÷ Total net revenues

Note 4: Income before (after) income tax represents income for the years ended December 31, 2024 and 2023.

Maturity Analysis

Maturity Analysis of Assets and Liabilities
December 31, 2024

(In Thousands of New Taiwan Dollars)

Item	Total	Period Remaining until Due Date and Amount Due					
		0-10 Days	11-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year
Main capital inflow on maturity	$ 1,130,800,204	$ 152,496,027	$ 55,464,283	$ 81,803,543	$ 81,259,519	$ 68,959,142	$ 690,817,690
Main capital outflow on maturity	1,404,410,241	71,884,488	102,683,583	172,763,908	178,320,913	375,358,596	503,398,753
Gap	(273,610,037)	80,611,539	(47,219,300)	(90,960,365)	(97,061,394)	(306,399,454)	187,418,937

December 31, 2023

(In Thousands of New Taiwan Dollars)

Item	Total	Period Remaining until Due Date and Amount Due					
		0-10 Days	11-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year
Main capital inflow on maturity	$ 1,097,604,784	$ 143,320,407	$ 68,218,263	$ 88,331,964	$ 66,609,185	$ 62,786,282	$ 668,338,683
Main capital outflow on maturity	1,314,139,956	55,228,906	123,538,171	169,278,763	150,392,726	333,427,106	482,274,284
Gap	(216,535,172)	88,091,501	(55,319,908)	(80,946,799)	(83,783,541)	(270,640,824)	186,064,399

Note: The above amounts included only New Taiwan dollar amounts held by the head office and domestic branches of the Bank (i.e., excluding foreign currency).

Maturity Analysis of Assets and Liabilities
December 31, 2024

(In Thousands of U.S. Dollars)

Item	Total	Remaining Period to Maturity				
		0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year
Main capital inflow on maturity	$ 6,991,868	$ 2,128,178	$ 617,452	$ 343,702	$ 411,766	$ 3,490,770
Main capital outflow on maturity	9,108,689	2,288,510	1,865,962	1,147,559	1,896,368	1,910,290
Gap	(2,116,821)	(160,332)	(1,248,510)	(803,857)	(1,484,602)	1,580,480

December 31, 2023

(In Thousands of U.S. Dollars)

Item	Total	Remaining Period to Maturity				
		0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year
Main capital inflow on maturity	$10,402,858	$ 4,070,211	$ 1,880,910	$ 567,961	$ 703,031	$ 3,180,745
Main capital outflow on maturity	12,134,494	3,753,024	3,332,719	1,449,170	1,861,177	1,738,404
Gap	(1,731,636)	317,187	(1,451,809)	(881,209)	(1,158,146)	1,442,341

Note 1: The above amounts included only U.S. dollar amounts held by the head office, domestic branches, OBU and overseas branches of the Bank and excluded contingent assets and contingent liabilities.

Note 2: When the OBU's assets account for 10% of total assets of the bank, the bank should provide complimentary disclosed information.

40. CAPITAL MANAGEMENT

a. Capital management target and procedure

Purpose of capital management is to reach criteria set by administration, implement capital management procedure, and upgrade capital perform efficiency to reach maximum of organization purpose.

The Group's capital planning accounts for short-term and long-term capital requirements. The Group makes yearly capital planning based on operation planning, current and forecast future capital requirements, and promised returns for shareholders. The Group also makes back-up plan to meet the capital requirements not included in the planning. The Group also regularly conducts stress tests and scenario simulation analyses to calculate different capital ratios (common equity ratio, Tier 1 capital ratio, and capital adequacy ratio), fully taking into account of external conditions and other factors, including potential risks, changes in financial markets, and other events impacting risk taking capabilities, to make sure that the Group can maintain adequate capital in case of detrimental events and huge market changes.

Planning for yearly earnings distribution follows the principles and ratios mandated by articles of incorporation and dividend policy, and are put into effect after being approved by the board of directors and shareholders' meeting. The Group's capital adequacy, potential investment needs, and dividend amount of previous years are taken into account. The needs to maintain proper financial ratios and satisfy capital requirement of the parent company are also preconditions of the distribution.

b. Capital definition and standard

The administration of the Group is Financial Supervisory Commission, and follows principles of capital adequacy management.

The Banking Act and related regulations require that the Bank maintains both standalone and consolidated ratios of regulatory capital to risk-weighted assets (including ratio of the common equity to risk-weighted assets, ratio of Tier 1 capital to risk-weighted assets and capital adequacy ratio (CAR)) should comply with the minimum ratio requested by authorities.

c. Self-owned capital

Self-owned capital of the Group is divided into Tier I capital and Tier II capital according to "Administrative Measures for Bank Capital Adequacy and Capital Grade".

1) The term "Net Tier 1 Capital" shall mean the aggregate amount of net Common Equity Tier 1 and net additional Tier 1 Capital.

   The common equity Tier 1 capital consists of the common equity that reduces intangible assets, the deferred tax assets due to losses from the previous year, the insufficiency of operation reserves and loan loss provisions, the revaluation surplus of real estate, unamortized losses on sales of non-performing loans, and the statutory adjustment items calculated in accordance with other rules for calculation methods. The common equity Tier 1 capital shall mean the sum of the common stock and additional paid-in capital in excess of par - common stock, the capital collected in advance, the capital reserves, the statutory surplus reserves, the special reserves, the accumulated profit or loss, the non-controlling interests and the other items of interest.

   The range of additional Tier 1 capital shall mean the total amount of the following items reduces the total amount of the deductible items in accordance with the rules for calculation methods.

   a) Non-cumulative perpetual preferred stock and its capital stock premium.

   b) Non-cumulative perpetual subordinated debts.

   c) The non-cumulative perpetual preferred stock and its capital stock premium, and the non-cumulative perpetual subordinated debts which are issued by banks' subsidiaries, and are not directly or indirectly held by banks.

2) The range of Tier 2 capital shall mean the total amount of the following items reduces the total amount of the deductible items in accordance with the rules for calculation methods.

   a) Cumulative perpetual preferred stock and its capital stock premium.

   b) Cumulative perpetual subordinated debts.

   c) Convertible subordinated debts.

   d) Long-term subordinated debts.

   e) Non-perpetual preferred stock and its capital stock premium.

   When the real estate was adopted by the International Financial Reporting Standards for the first time and used the fair value or the re-estimated value as the deemed cost. The difference in amount between the deemed cost and the book value was recognized in retained earnings, the 45% of unrealized gain on financial assets at FVTOCI, as well as operational reserves and loan-loss provisions.

   The cumulative perpetual preferred stock and its capital stock premium, cumulative perpetual subordinated debts, convertible subordinated debts, long-term subordinated debts, and the non-perpetual preferred stock and its capital stock premiums which are issued by banks' subsidiaries, and are not directly or indirectly held by banks.

   When a bank reports its capital adequacy ratio according to the regulations, the competent authority shall examine its capital category in accordance with the provisions of these regulations on the calculation of capital adequacy ratio.

   When a bank's capital is graded as inadequate capital, significantly inadequate capital or seriously inadequate capital by the competent authority's examination, the competent authority shall take prompt corrective actions in pursuant to Sections 1 to 3, Paragraph 1, Article 44-2 of the Act.

The government regulations are formulated in accordance with the Basel Accord. The followings are the content of the Basel Accord and the implementation of the Group.

1) The First Pillar

   The first pillar contains the capital requirements for credit risks, market risks and operation risks.

   a) Credit risks refer to the default risk resulted from the counterparties. The credit risk is derived from the assets, liabilities or off-balance sheet items. There are two measurement methods, the Standardized Approach and the Internal Ratings-Based Approach (the IRB). The Bank and its subsidiary use the Standardized Approach.

   b) Market risks refer to the loss due to the changes of the market price, such as the changes of the market interest rate, the exchange rate, the stock price and the product price. There are two measurement methods, the Standardized Approach and the Internal Model Approach. The Bank and its subsidiary use the Standardized Approach.

   c) Operation risks refer that the Bank has loss caused by the internal operations, the employee's faults, the system errors or external events. The operation risks include legal risks but exclude strategy risks and reputation risks. The measurement methods are the Basic Indicator Approach, the Standardized Approach, the Alternative Standardized Approach and the Advanced Measurement Approach. The Bank has adopted the Basic Indicator Approach since the first quarter of 2015 after obtaining the approval from the authorities.

2) The Second Pillar

The second pillar is used to ensure that each bank has sufficient internal assessment procedures and each bank can understand the capital adequacy through complete risk measurements. At the same time, it also uses proper supervisory operations to ensure the regulatory capital accord with the whole risk characteristics. The Bank and its subsidiary report the capital adequacy measurements and the risk management situations to the competent authority with related information.

3) The Third Pillar

The third pillar is related to the market discipline. It requires banks to disclose more information about the risks, the capital and the risk managements according the new Basel Accord in order to increase their information transparency. As a result, the Group has offered the "Information of the Capital Adequacy and the Risk Managements" in our website to disclose the qualitative data and the quantitative data.

d. Capital adequacy ratio

<table>
<tr><th colspan="3">Year
Items</th><th>December 31, 2024</th><th>December 31, 2023</th></tr>
<tr><td rowspan="4">Eligible capital</td><td colspan="2">Common stockholders' equity</td><td>$ 75,226,093</td><td>$ 72,338,936</td></tr>
<tr><td colspan="2">Other Tier 1 capital</td><td>18,000,000</td><td>18,000,000</td></tr>
<tr><td colspan="2">Tier 2 capital</td><td>15,250,398</td><td>13,222,613</td></tr>
<tr><td colspan="2">Eligible capital</td><td>108,476,491</td><td>103,561,549</td></tr>
<tr><td rowspan="12">Risk-weighted assets</td><td rowspan="4">Credit risk</td><td>Standard valuation method</td><td>678,123,475</td><td>633,386,183</td></tr>
<tr><td>Internal valuation method</td><td>-</td><td>-</td></tr>
<tr><td>Credit appraisal adjustment risk</td><td>2,052,419</td><td>1,928,633</td></tr>
<tr><td>REIT's</td><td>-</td><td>-</td></tr>
<tr><td rowspan="3">Operational risk</td><td>Basic index method</td><td>-</td><td>-</td></tr>
<tr><td>Standard valuation method/ Selective standard method</td><td>32,820,950</td><td>30,713,950</td></tr>
<tr><td>Advanced valuation method</td><td>-</td><td>-</td></tr>
<tr><td rowspan="2">Market risk</td><td>Standard method</td><td>3,554,025</td><td>3,822,813</td></tr>
<tr><td>Internal model method</td><td>-</td><td>-</td></tr>
<tr><td colspan="2">Total risk-weighted assets</td><td>716,550,869</td><td>669,851,579</td></tr>
<tr><td colspan="3">Capital adequacy</td><td>15.14</td><td>15.46</td></tr>
<tr><td colspan="3">Ratio of common stock equity to risk-weighted assets</td><td>10.50</td><td>10.80</td></tr>
<tr><td colspan="3">Ratio of Tier 1 capital to risk-weighted assets</td><td>13.01</td><td>13.49</td></tr>
<tr><td colspan="3">Leverage ratio</td><td>6.74</td><td>6.84</td></tr>
</table>

Note 1: The above table was filled in accordance with the Regulations Governing the Capital Adequacy Ratio of Banks and related calculation tables.

Note 2: The adequacy ratio of the current and previous period should be shown in the financial statements at quarter 4. The financial statements at quarter 2 should disclose the adequacy ratio of the previous year additionally.

Note 3: Formula:

a. Self-owned capital = Common equity Tier I + Other Tier I capital + Tier II capital

b. Risk-weighted assets = Credit risk-weighted assets + (Operation risk capital + Market price risk capital) x 12.5

c. Capital adequacy = Self-owned capital ÷ Risk-weighted assets

d. Common equity Tier I capital to risk-weighted assets ratio = Common equity Tier I capital ÷ Risk-weighted assets

e. Tier I capital to risk-weighted assets ratio = (Common equity Tier I + Other Tier I capital) ÷ Risk-weighted assets

f. Leverage ratio = Tier I capital ÷ Adjusted average asset

41. EXCHANGE RATE INFORMATION OF FOREIGN-CURRENCY FINANCIAL ASSETS AND LIABILITIES

(Foreign Currencies/In Thousands of New Taiwan Dollars)

	December 31, 2024		
	Foreign Currency	**Exchange Rate**	**New Taiwan Dollars**
Financial assets			
Monetary items			
USD	$ 5,051,260	32.78	$ 165,585,346
CNY	1,633,147	4.48	7,312,889
JPY	32,997,138	0.21	6,924,086
HKD	1,623,897	4.22	6,856,650
AUD	290,594	20.40	5,927,060
Non-monetary items			
USD	170,995	32.78	5,605,374
ZAR	279,916	1.75	490,119
AUD	4,643	20.40	94,694
Financial liabilities			
Monetary items			
USD	5,867,730	32.78	192,350,073
CNY	1,667,417	4.48	7,466,343
JPY	33,032,493	0.21	6,931,505
ZAR	3,375,796	1.75	5,910,861
HKD	1,259,371	4.22	5,317,494
Non-monetary items			
USD	171,995	32.78	5,638,163
ZAR	280,003	1.75	490,271
AUD	4,489	20.40	91,563

	December 31, 2023		
	Foreign Currency	Exchange Rate	New Taiwan Dollars
Financial assets			
Monetary items			
USD	$ 5,354,832	30.74	$ 164,580,757
HKD	2,058,050	3.93	8,096,121
CNY	1,707,052	4.33	7,393,049
JPY	29,996,413	0.22	6,519,151
AUD	289,659	21.00	6,083,194
Non-monetary items			
USD	678,724	30.74	20,860,596
HKD	2,591,542	3.93	10,194,811
CNY	1,940,469	4.33	8,403,951
ZAR	225,722	1.66	374,694
AUD	5,376	21.00	112,908
Financial liabilities			
Monetary items			
USD	5,359,879	30.74	164,735,892
CNY	2,012,693	4.33	8,716,742
HKD	1,939,566	3.93	7,630,017
JPY	28,193,371	0.22	6,127,294
AUD	197,622	21.00	4,150,307
Non-monetary items			
USD	741,265	30.74	22,782,771
HKD	2,278,676	3.93	8,964,034
CNY	1,734,551	4.33	7,512,142
ZAR	225,762	1.66	374,761
AUD	13,257	21.00	278,415

42. ALLOCATION OF REVENUE, COST, EXPENSE AND NET INCOME IN THE INTERCOMPANY TRANSACTIONS

In order to expand the economic scale and utilize the benefits of the group's resources, SKFHC and its subsidiaries will jointly promote the business or share part of the business equipment and premises. Their income and expense allocation methods are directly attributable to the subsidiaries according to the nature of the business, or apportion the benefits to the respective companies in other reasonable ways.

43. INFORMATION RELATED TO SIGNIFICANT TRANSACTIONS

a. The related information of significant transaction is as follows:

No.	Item	Explanation
1	Accumulated purchases and sales balance of specific investee's marketable security over NT$300 million or 10% of outstanding capital for the year ended December 31, 2024	None
2	Acquisition of real assets over NT$300 million or 10% of outstanding capital for the year ended December 31, 2024	None
3	Disposal of real assets over NT$300 million or 10% outstanding capital for the year ended December 31, 2024	None
4	Discount on fees income from related parties over NT$5 million	None
5	Receivables from related parties over NT$300 million or 10% of outstanding capital	None
6	Sale of NPL information.	None
7	Financial assets securitization or real assets securitization	None
8	Other significant transactions which may affect decisions of the users of the financial statement	None

b. The related information of the Group's investees (Note):

No.	Item	Explanation
1	Information on invested enterprise.	Appendix A
2	Capital lending to another party	None
3	Endorsement for another party	None
4	Marketable securities held as of December 31, 2024	None
5	Accumulated purchases and sales balance of specific marketable security over NT$300 million or 10% of outstanding capital for the year ended December 31, 2024	None
6	Acquisition of property, plant and equipment over NT$300 million or 10% of outstanding capital for the year ended December 31, 2024	None
7	Disposal of property, plant and equipment over NT$300 million or 10% of outstanding capital for the year ended December 31, 2024	None
8	Discount on fees income from related parties over NT$5 million	None
9	Receivable from related parties over NT$300 million or 10% of outstanding capital	None
10	Sale of NPL information.	None
11	Financial assets securitization or real assets securitization	None
12	Derivative instrument	None
13	Other significant transactions which may affect decisions of the users of the financial statement	None

Note: Not applicable or not required for disclosure if the investee is a financial institution, insurance company, or security company.

c. Investment in Mainland China: None.

d. Intercompany relationships and significant intercompany transactions: Appendix B.

44. OPERATING SEGMENT FINANCIAL INFORMATION

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Group's reportable segments under are therefore as follows:

a. Segment revenues and results

The analysis of the Group's revenue and results from continuing operations by reportable segment was as follows:

	For the Year Ended December 31, 2024			
	Commercial	Personal	Others	Total
Net interest income	$ 4,859,509	$ 6,079,500	$ 3,092,939	$ 14,031,948
Net income excluding interest income	678,000	4,402,153	2,331,544	7,411,697
Net revenue	5,537,509	10,481,653	5,424,483	21,443,645
Bad debt expense and provision for losses on commitments and guarantees	(504,560)	(1,033,210)	236,723	(1,301,047)
Operating expenses	(2,313,379)	(5,545,496)	(3,341,355)	(11,200,230)
Income before income tax	$ 2,719,570	$ 3,902,947	$ 2,319,851	$ 8,942,368

	For the Year Ended December 31, 2023			
	Commercial	Personal	Others	Total
Net interest income	$ 5,300,423	$ 6,194,969	$ 1,471,533	$ 12,966,925
Net income excluding interest income	106,307	3,818,905	3,110,732	7,035,944
Net revenue	5,406,730	10,013,874	4,582,265	20,002,869
Bad debt expense and provision for losses on commitments and guarantees	(266,471)	(477,273)	(368,695)	(1,112,439)
Operating expenses	(1,403,431)	(5,582,387)	(3,566,547)	(10,552,365)
Income before income tax	$ 3,736,828	$ 3,954,214	$ 647,023	$ 8,338,065

b. Segment assets

	December 31	
	2024	2023
Segment assets		
Commercial	$ 378,487,176	$ 340,425,702
Personal	469,784,302	466,090,803
Others	473,621,680	459,162,230
Total assets	$ 1,321,893,158	$ 1,265,678,735

APPENDIX A

TAIWAN SHIN KONG COMMERCIAL BANK CO., LTD. AND SUBSIDIARIES

INFORMATION OF INVESTEES' NAMES, LOCATIONS, ETC.
YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Except for Number of Shares)

Investor	Investee (Note 1)	Investee's Location	Investee's Business	Percentage %	Investment Amount	Investee's Gain/(Loss)	Consolidated Investment (Note 1)				Other Terms
							Shares	Imitated Shares (Note 2)	Total		
									Shares	Percentage %	
The Bank	Shin Kong Marketing Consultant Co., Ltd.	Taipei	Marketing and consultant	100.00	$ 392,925	$ 240,558	10,000	-	10,000	100.00	

Note 1: All present shares or imitated shares of the Bank, director, supervisor, the Bank's managements, and affiliates should be included.

Note 2: a. Imitated shares are acquired under the hypothesis that equity-type securities and derivative financial instrument contracts are transferred to common shares. Based on the transaction terms of the Bank, the two types of investments are linked to the equity of investees, which are recognized as investment under the equity method, financial assets at FVTOCI and financial assets carried at cost, to comply with Article 74 of the Securities and Exchange Act.

b. Equity-type securities are securities regulated by Article 11 of the Securities and Exchange Law Enforcement Rules, such as convertible bonds and warrants.

c. Financial instrument contracts are those defined under IFRS 9 such as stock option.

Note 3: The table of "Information of Investees' Names, Locations, etc." only be seen in the second and fourth quarter's financial statement.

APPENDIX B

TAIWAN SHIN KONG COMMERCIAL BANK CO., LTD. AND SUBSIDIARIES

THE BUSINESS RELATIONSHIP BETWEEN THE PARENT AND THE SUBSIDIARIES AND BETWEEN EACH SUBSIDIARY, AND SIGNIFICANT TRANSACTIONS BETWEEN THEM
YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount (Note 3)	Payment Terms	% to Total Net Revenue or Total Assets (Note 4)
	Year ended December 31, 2024						
0	Taiwan Shin Kong Commercial Bank Co., Ltd.	Shin Kong Marketing Consultant Co., Ltd.	a	Deposits and remittances	$ 489,410	No significant difference from those with ordinary customers	0.04

Note 1: Parties to the intercompany transactions are identified and numbered (in first column) as follows:

a. "0" for Taiwan Shin Kong Commercial Bank Co., Ltd.
b. Subsidiaries are numbered from "1".

Note 2: Flow of transactions are categorized as follows:

a. From a parent company to its subsidiary.
b. From a subsidiary to its parent company.
c. Between subsidiaries.

Note 3: Have been eliminated on consolidation.

Note 4: Percentage to consolidated total assets is calculated by dividing the amount of a particular asset or liability account by the consolidated total of assets as of December 31, 2024. Percentage to consolidated total net revenues is calculated by dividing the amount of a particular revenue or cost or expense account by the consolidated total net revenues for the year ended December 31, 2024.

HEAD OFFICE AND BRANCHES

BRANCH NAME	ADDRESS	TEL
Head Office	1F,3-5F,10F,19-21F,No.36,9F-1,No.36,3-5F,10F,19-21F,No.32and4F-1,No.32, 5F-1, No.32,9F-1,No.32, Songren Road, Xinyi District, Taipei City 110049, Taiwan, (R.O.C.)	886-2-87587288
International Banking Dept.	5F., No. 99, Sec. 1, Xinsheng S. Rd., Da-an Dist., Taipei City 106459, Taiwan (R.O.C.)	886-2-27786818
Trust Dept.	4F-1, No. 32, Songren Rd., Xinyi Dist., Taipei City 110049, Taiwan, (R.O.C.)	886-2-87587288
Business Department	No.36., Songren Rd., Xinyi District, Taipei City 110049, Taiwan(R.O.C.)	886-2-87808667
Hsih Lin Branch	No.510, Wunlin Rd., Shihlin District, Taipei City 111042, Taiwan (R.O.C.)	886-2-28338789
Tien Mu Branch	No.41-1, Sec. 7, Jhongshan N. Rd., Shihlin District, Taipei City 111049, Taiwan (R.O.C.)	886-2-28762126
Cheng Teh Branch	No.192-1, Sec. 4, Cheng Teh Rd., Hsih Lin District, Taipei City 111052, Taiwan (R.O.C.)	886-2-28812628
Da Tung Branch	No.269, Sec. 3, Chongcing N. Rd., Datong District, Taipei City 103029, Taiwan (R.O.C.)	886-2-25974951
Chien Cheng Branch	No.73, Sec. 1, Chongcing N. Rd., Datong District, Taipei City 103016, Taiwan (R.O.C.)	886-2-25567227
Chung Hsiao Branch	No.160, Yanji St., Da-an District, Taipei City 106062, Taiwan (R.O.C.)	886-2-27410101
Da An Branch	No.177, Sec. 2, Fusing S. Rd., Da-an District, Taipei City 106101, Taiwan (R.O.C.)	886-2-27551639
Ku Ting Branch	No.41, Sec. 2, Roosevelt Rd., Da-an District, Taipei City 106602, Taiwan (R.O.C.)	886-2-23432330
Hsin Sheng S. Road Branch	No.101, Sec.1, Hsin Sheng South Rd., Taipei City 106459 , Taiwan, (R.O.C)	886-2-87719099
Dun Nan Branch	No.223, Sec. 1, Dunhua S. Rd., Da-an District, Taipei City 106057, Taiwan (R.O.C.)	886-2-27513989
Wu Chang Branch	No.76, Lane 356, Longjiang Rd., Jhongshan District, Taipei City 104065, Taiwan (R.O.C.)	886-2-25059161
Cheng Pei Branch	No.162, Songjiang Rd., Jhongshan District, Taipei City 104488, Taiwan (R.O.C.)	886-2-25652711
Ta Chih Branch	No. 600, Mingshui Rd., Zhongshan District, Taipei City 104051, Taiwan (R.O.C.)	886-2-85091819
Chang An Branch	No.100, Sec. 2, Chang-an E. Rd., Jhongshan District, Taipei City 104094, Taiwan (R.O.C.)	886-2-25067366

BRANCH NAME	ADDRESS	TEL
Nan Dong Branch	No. 90, Sec. 1, Jianguo N. Rd., Zhongshan Dist., Taipei City 104496 , Taiwan (R.O.C.)	886-2-25167698
Jhong Jheng Branch	No.27, Sec. 2, Xinyi Rd., Jhongjheng District, Taipei City 100012, Taiwan (R.O.C.)	886-2-23560506
Cheng Nei Branch	No.115, Sec. 1, Chongcing S. Rd., Jhongjheng District, Taipei City 100004, Taiwan (R.O.C.)	886-2-23814518
Shin Jin-Hu Branch	No.464,No.462,Sec.5, Chenggong Rd.,Neihu Dist., Taipei City 114050, Taiwan,(R.O.C.)	886-2-26306208
Nei Hu Branch	No.17, Lane 360, Sec. 1, Neihu Rd., Neihu District, Taipei City 114683, Taiwan (R.O.C.)	886-2-27976768
Hsing Lung Branch	No.133,No.131,Jinglong St., Wunshan District, Taipei City 116062, Taiwan (R.O.C.)	886-2-89311099
Peitou FushingKang Branch	No.422, Sec. 2, Jhongyang N. Rd., Beitou District, Taipei City 112018, Taiwan (R.O.C.)	886-2-28982399
Dong Taipei Branch	No.29, Lane 11, Guang Fu North Rd., Taipei City 105410, Taiwan (R.O.C.)	886-2-27685966
Fu Hsing Branch	No.311, Fusing N. Rd., Songshan District, Taipei City 105401, Taiwan (R.O.C.)	886-2-27150825
Cin Cheng Branch	No.1-1, Cingcheng St., Songshan District, Taipei City 105403, Taiwan (R.O.C.)	886-2-27199811
World Trade Center Branch	No.8, Sec. 5, Xinyi Rd., Xinyi District, Taipei City 110013, Taiwan (R.O.C.)	886-2-23451888
Sung Shan Branch	2F., No.510, Sec. 5, Jhongsiao E. Rd., Sinyi District, Taipei City 110058, Taiwan (R.O.C.)	886-2-23466636
Nan Gang Branch	No.218, Chongyang Rd., Nangang District, Taipei City 115023, Taiwan (R.O.C.)	886-2-27821787
Lung Shan Branch	No.207, Kangding Rd., Wanhua District, Taipei City 108015, Taiwan (R.O.C.)	886-2-23023531
Hsi Yuan Branch	No.37 and No.39, Sec. 2, Hsi Yuan Rd., Taipei City 108025, Taiwan (R.O.C.)	886-2-23061271
Hsi Men Branch	No.73, Sining S. Rd., Wanhua District, Taipei City 108002, Taiwan (R.O.C.)	886-2-23145791
Dong San Chung Branch	No.102, Sec. 1, Chongsin Rd., Sanchong District, New Taipei City 241002, Taiwan (R.O.C.)	886-2-29737788
Pei San Chung Branch	No.115, Siwei St., Sanchong District, New Taipei City 241063, Taiwan (R.O.C.)	886-2-29875522

HEAD OFFICE AND BRANCHES

BRANCH NAME	ADDRESS	TEL
San Shia Branch	No.45, Fusing Rd., Sansia District, New Taipei City 237015, Taiwan (R.O.C.)	886-2-86717616
Tu Cheng Branch	No.122, Sec. 3, Jincheng Rd., Tucheng District, New Taipei City 236003, Taiwan (R.O.C.)	886-2-22705050
Lien Cheng Road Branch	No.166, Liancheng Rd., Jhonghe District, New Taipei City 235038, Taiwan (R.O.C.)	886-2-22477330
Yung Ho Branch	No. 70, Zhulin Rd., Yonghe Dist., New Taipei City 234002, Taiwan (R.O.C.)	886-2-32335656
Si Chih Branch	No.148, and No.146, Chung Hsing Rd., His Chih District, New Taipei City 221018, Taiwan (R.O.C.)	886-2-26959659
Lin Kou Branch	No.67 and No.65, Sec. 1, Wenhua 3rd Rd., Linkou Dist., New Taipei City 244015, Taiwan (R.O.C.)	886-2-26068999
Sin Pu Branch	No.21, Yunong Rd., Banciao District, New Taipei City 220033, Taiwan (R.O.C.)	886-2-22521919
Sinban Branch	No.141, Sec.1, Zhongshan Rd., Banciao Dist., New Taipei City 220073,Taiwan (R.O.C.)	886-2-29617997
Jiang Tz Tsuei Branch	No.428, Sec. 2, Wunhua Rd., Banciao District, New Taipei City 220022, Taiwan (R.O.C.)	886-2-82586288
Hsin Tien Branch	No.313 and No.311, Jhongjheng Rd., Hsin Tien District, New Taipei City 231024, Taiwan (R.O.C.)	886-2-89117180
Dan Feng Branch	No.665, Jhongjheng Rd., Sinjhuang District, New Taipei City 242051, Taiwan (R.O.C.)	886-2-29083636
Hsin Chuang Branch	No.252, Sintai Rd., Sinjhuang District, New Taipei City 242004, Taiwan (R.O.C.)	886-2-29965995
North HsinChuang Branch	No.95, Sec. 2, RongHua Rd, Sinjhuang District, New Taipei City 242030, Taiwan (R.O.C.)	886-2-82213878
Shulin Branch	No.116-1, Jhonghua Rd., Shulin District, New Taipei City 238018, Taiwan, (R.O.C.)	886-2-86848777
Lu Chou Branch	No.101, Fusing Rd., Lujhou District, New Taipei City 247035, Taiwan, (R.O.C.)	886-2-82813182
Keelung Branch	No.259, Jen 1st Rd., Ren-ai District, Keelung City 200011, Taiwan (R.O.C.)	886-2-24213998
Pa Teh Branch	No.1032, Sec. 2, Jieshou Rd., Bade District, Taoyuan City 334007, Taiwan (R.O.C.)	886-3-3658085
Jhong Li Branch	No.201, Jhongshan Rd., Jhongli District, Taoyuan City 320004, Taiwan (R.O.C.)	886-3-4270123

BRANCH NAME	ADDRESS	TEL
Qingpu Branch	No.89,No.87,No.85,Sec.3,Linghang S. Rd., Zhongli Dist., Taoyuan City 320016, Taiwan (R.O.C.)	886-3-2876111
Tao Yuan Branch	No.207, Fusing Rd., Taoyuan District, Taoyuan City 330046, Taiwan (R.O.C.)	886-3-3316996
Tao Bei Branch	No.1080, Jhongjheng Rd., Taoyuan District, Taoyuan City 330010, Taiwan (R.O.C.)	886-3-3465660
Nankan Branch	No. 72, Jhongjheng Rd., Luzhu District, Taoyuan City 338023, Taiwan (R.O.C.)	886-3-2120556
Hsin Chu Branch	No.84, Jhongshan Rd., Hsinchu City 300028, Taiwan (R.O.C.)	886-3-5215171
Chu Ke Branch	No.333, Sec. 1, Guangfu Rd., Hsinchu City 300049, Taiwan (R.O.C.)	886-3-5678989
Chu Pei Branch	No.372, Jhonghua Rd., Jhubei City, Hsinchu County 302006, Taiwan (R.O.C.)	886-3-5552058
Liu Jia Branch	No.388, Sec.1, Wenxing Rd., Zhubei City, Hsinchu County302053, Taiwan (R.O.C.)	886-3-6586111
Zhunan Branch	No.159, Sec. 3, Huanshi Rd., Zhunan Township, Miaoli County 350005, Taiwan (R.O.C.)	886-37-466948
Chung Hua Branch	No.126,Sec.1,Jhonghua Rd., Central District, Taichung City 400003,aiwan (R.O.C.)	886-4-22203176
Siang Shang Branch	No.116,Sec.1,Siangshang Rd.,West District, Taichung City 403008,Taiwan (R.O.C.)	886-4-23056881
Nan Taichung Branch	No.160-1,Sec. 2, Fusing Rd., South District, Taichung City 402014,Taiwan (R.O.C.)	886-4-22612516
Taichung Branch	No.101, Taichung Rd., East District, Taichung City 401009,Taiwan (R.O.C.)	886-4-22284113
Shih Chia Branch	No.36, Jingwu E. Rd., East District, Taichung City 401020,Taiwan (R.O.C.)	886-4-22120606
Sung Chu Branch	No.162, Sec. 2, Songjhu Rd., Beitun District, Taichung City 406506 ,Taiwan (R.O.C.)	886-4-22453456
Shui Nan Branch	No.238, Sec. 2, Zhongqing Rd., Beitun District, Taichung City 406039,Taiwan (R.O.C.)	886-4-22910388
Bei Tun Branch	No.974, Sec. 4, Wunsin Rd., Beitun District, Taichung City 406019,Taiwan (R.O.C.)	886-4-22333626

HEAD OFFICE AND BRANCHES

BRANCH NAME	ADDRESS	TEL
Chung Kang Branch	No.769, Sec. 4, Taiwan Blvd., Situn District, Taichung City 407201,Taiwan (R.O.C.)	886-4-23588211
Si Tun Branch	No.63, Guangming Rd., Situn District, Taichung City 407024,Taiwan (R.O.C.)	886-4-27019551
Yung An Branch	No.159-75, Sec. 3, Situn Rd., Situn District, Taichung City 407129, Taiwan (R.O.C.)	886-4-24616115
Da Dun Branch	No.5, Sec.2, Gongyi Rd., Nantun District, Taichung City 408031, Taiwan (R.O.C.)	886-4-23296236
Nan Tun Branch	No.501, Sec. 2, Wucyuan W. Rd., Nantun District, Taichung City 408349, Taiwan (R.O.C.)	886-4-23832121
Da Chia Branch	No.36, Zhongxiao St., Dajia Dist., Taichung City 437008, Taiwan (R.O.C.)	886-4-26760020
Da Li Branch	No.269, Defang S. Rd., Dali District, Taichung City 412015, Taiwan (R.O.C.)	886-4-24835123
Ta Ya Branch	No.1187, Sec. 3, Zhongqing Rd., Daya Dist., Taichung City 428412, Taiwan (R.O.C.)	886-4-25650901
Sha Lu Branch	No. 321, Sec. 2, Zhennan Rd., Shalu Dist., Taichung City 433020, Taiwan (R.O.C.)	886-4-26625008
Fung Yuan Branch	No.193, Yuanhuan S. Rd., Fengyuan District, Taichung City 420001, Taiwan (R.O.C)	886-4-25251201
Chang Hwa Branch	No.107, Sanmin Rd., Changhua City 500003, Taiwan (R.O.C.)	886-4-7235997
Yuan Lin Branch	No.346, Sec. 2, Jhongshan Rd., Yuanlin City, Changhua County 510009, Taiwan (R.O.C.)	886-4-8377007
Cao Tun Branch	No.146, Sec.2, Taiping Rd., Caotun Township, Nantou County 542006, Taiwan(R.O.C.)	886-4-92328296
Chia Yi Branch	No.248, Jhongshan Rd., Chiayi City 600014, Taiwan (R.O.C.)	886-5-2247755
Pei Chia Yi Branch	No.465, Zhongxing Rd., West Dist., Chiayi City 600082,Taiwan (R.O.C.)	886-5-2330367
Tou Liu Branch	No.225, Sec. 2, Yunlin Rd., Douliu City, Yunlin County 640001, Taiwan (R.O.C.)	886-5-5375586
Tainan Branch	No.307, Sec.2, Ming Sheng Rd., Tainan City 700018, Taiwan (R.O.C.)	886-6-2219511
Dong Tainan Branch	No.12, Sec. 1, Jhonghua E. Rd., East District, Tainan City 701041, Taiwan (R.O.C.)	886-6-2347777
Yong Kang Branch	No.659, Jhongjheng S. Rd., Yongkang District, Tainan City 710005, Taiwan (R.O.C.)	886-6-2432877

BRANCH NAME	ADDRESS	TEL
Sin Ying Branch	No.138, Jhong Shan Rd., Sin Ying District, Tainan City 730025, Taiwan, (R.O.C.)	886-6-6378266
North Kaohsiung Branch	No.523, Minzu 1st Rd., Sanmin District, Kaohsiung City 807661, Taiwan (R.O.C.)	886-7-3478511
Siao Gang Branch	No.292, Hanmin Rd., Siaogang District, Kaohsiung City 812012, Taiwan (R.O.C.)	886-7-8025588
Zuoying Huasia Rd. Branch	No.692, Huasia Rd., Zuoying District, Kaohsiung City 813754, Taiwan (R.O.C.)	886-7-3487077
Gan Shan Branch	No.339, Gangshan Rd. Gangshan Dist., Kaohsiung City 820001 Taiwan (R.O.C.)	886-7-6212551
Kaohsiung Branch	No. 105, Qingnian 2nd Rd., Lingya Dist., Kaohsiung City 802045, Taiwan (R.O.C.)	886-7-2158811
Chi Hsien Branch	No.249,Chi Hsien 1st Rd., Sinsing District, Kaohsiung City 800303, Taiwan (R.O.C.)	886-7-2361678
Lu Chu Branch	No.1185, Jhongshan Rd., Lujhu District, Kaohsiung City 821013, Taiwan (R.O.C.)	886-7-6975395
Feng Shan Branch	No.242, Sec.3, Jian Guo Rd., Feng Shan District, Kaohsiung City 830007, Taiwan, (R.O.C.)	886-7-7805966
Ping Tung Branch	No.123, Jhongjheng Rd., Pingtung City, Pingtung County 900013, Taiwan (R.O.C.)	886-8-7339911
Dong Yuan Branch	No.63, Guangdong Rd., Pingtung City, Pingtung County 900022, Taiwan (R.O.C.)	886-8-7228306
Jiou Ru Branch	No. 25, Xinyi St., Jiuru Township, Pingtung County 904008 , Taiwan (R.O.C.)	886-8-7390985
Wan Dan Branch	No.256, Sec. 1, Wandan Rd., Wanquan Village Wandan Township, Pingtung County 913401, Taiwan (R.O.C.)	886-8-7772010
Dong Gang Branch	1F and 3F, No. 180, Sec. 1, Guangfu Rd., Donggang Township, Pingtung County, 928007,Taiwan (R.O.C.)	886-8-8350187
Yi Lan Branch	No.48, Kungfu Rd., Yilan City, 260003, Taiwan (R.O.C.)	886-3-9358178
Hua Lien Branch	No. 588, Zhongzheng Rd., Hualien City, Hualien County 970007 , Taiwan (R.O.C.)	886-3-8310802
Offshore Banking Unit	5F., No. 99, Sec. 1, Xinsheng S. Rd., Da-an Dist., Taipei City 106459, Taiwan (R.O.C.)	886-2-27786818
Hong Kong Branch	Suites 1502-12, 15/F, Tower 2, The Gateway, 25 Canton Road, Harbour City, Kowloon, Hong Kong	852-35574666

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