O-Bank and Subsidiaries

Consolidated Financial Statements for the Three Months Ended March 31, 2024 and 2023 and Independent Auditors' Review Report

Deloitte.

勤業眾信

勤業眾信聯合會計師事務所
110016 台北市信義區松仁路100號20樓

Deloitte & Touche
20F, Taipei Nan Shan Plaza
No. 100, Songren Rd.,
Xinyi Dist., Taipei 110016, Taiwan

Tel :+886 (2) 2725-9988
Fax:+886 (2) 4051-6888
www.deloitte.com.tw

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Stockholders
O-Bank

Introduction

We have reviewed the accompanying consolidated financial statements of O-Bank and its subsidiaries (collectively referred to as the "Group") as of March 31, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Publicly Held Bills Finance Companies, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As disclosed in Notes 15 and 16 to the consolidated financial statements, the financial statements of some non-significant subsidiaries and investment accounted for using the equity method included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of March 31, 2024 and 2023, combined total assets of these non-significant subsidiaries were NT$1,558,595 thousand and NT$1,514,187 thousand, respectively, representing 0.24% and 0.25%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT$202,122 thousand and NT$325,378 thousand, respectively, representing 0.03% and 0.06%, respectively, of the consolidated total liabilities; for the three months ended March 31, 2024 and 2023, the amounts of combined total comprehensive income of these subsidiaries were NT$127,081 thousand and NT$299,874 thousand, respectively, representing 6.68% and 14.64%, respectively, of the consolidated total comprehensive income. As of March 31, 2024 and 2023, the amount of investment accounted for using the equity method was NT$1,201,556 thousand and NT$7,315,670 thousand, respectively, representing 0.19% and 1.21%, respectively, of the consolidated total assets; for the three months ended March 31, 2024 and 2023, the amount of share of comprehensive income of associate accounted for using the equity method was NT$57,030 thousand and NT$73,899 thousand, respectively, representing 3.00% and 3.61%, respectively, of the consolidated total comprehensive income.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and the investment accounted for using the equity method described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Publicly Held Bills Finance Companies, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Kuan-Hao Lee and Wei-Chun Ma.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 2, 2024

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

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

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

O-BANK AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	March 31, 2024		December 31, 2023		March 31, 2023	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CASH AND CASH EQUIVALENTS (Note 6)	$ 7,559,906	1	$ 5,555,800	1	$ 7,270,159	1
DUE FROM THE CENTRAL BANK AND CALL LOANS TO BANKS (Note 7)	21,477,952	3	23,520,359	4	16,677,723	3
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 8 and 42)	164,065,960	25	154,882,250	25	153,758,429	26
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Notes 9, 42 and 46)	170,762,410	27	170,682,918	27	163,862,926	27
INVESTMENTS IN DEBT INSTRUMENTS MEASURED AT AMORTIZED COST (Notes 10, 42 and 46)	26,794,827	4	25,859,398	4	32,025,754	5
BILLS AND BONDS PURCHASED UNDER RESELL AGREEMENTS (Note 11)	2,644,534	1	2,865,025	1	2,252,156	-
RECEIVABLES, NET (Notes 12 and 14)	5,527,665	1	4,605,691	1	4,318,904	1
CURRENT TAX ASSETS	600,396	-	625,032	-	324,826	-
DISCOUNTS AND LOANS, NET (Notes 13, 14, 41 and 42)	233,548,232	36	222,933,448	36	209,060,594	35
INVESTMENT ACCOUNTED FOR USING EQUITY METHOD, NET (Note 16)	7,089,503	1	6,994,838	1	7,315,670	1
OTHER FINANCIAL ASSETS (Note 17)	1,071,844	-	1,059,166	-	1,079,411	-
PROPERTY AND EQUIPMENT, NET (Notes 18 and 43)	2,377,660	1	2,389,637	-	2,378,594	1
RIGHT-OF-USE ASSETS, NET (Note 19)	449,459	-	446,591	-	401,296	-
INTANGIBLE ASSETS, NET (Note 20)	1,657,119	-	1,675,179	-	1,766,077	-
DEFERRED TAX ASSETS (Note 39)	996,483	-	959,517	-	972,887	-
OTHER ASSETS (Notes 19 and 21)	1,662,883	-	1,694,152	-	1,381,178	-
TOTAL	$ 648,286,833	100	$ 626,749,001	100	$ 604,846,584	100
LIABILITIES AND EQUITY						
LIABILITIES						
Deposits from the Central Bank and other banks (Note 22)	$ 43,354,829	7	$ 30,339,249	5	$ 26,183,278	5
Financial liabilities at fair value through profit or loss (Note 8)	938,570	-	1,401,705	-	590,935	-
Bills and bonds sold under repurchase agreements (Note 23)	187,921,308	29	194,087,268	31	187,418,764	31
Payables (Note 24)	7,254,047	1	5,232,200	1	4,778,223	1
Current tax liabilities	199,020	-	302,271	-	187,513	-
Deposits and remittances (Notes 25 and 41)	322,798,042	50	316,562,298	51	305,857,598	51
Bank debentures payable (Note 26)	14,450,000	2	12,950,000	2	13,600,000	2
Other financial liabilities (Note 27)	7,108,009	1	3,736,137	1	6,645,954	1
Provisions (Notes 14, 28 and 29)	2,010,522	1	1,979,779	-	1,942,451	-
Lease liabilities (Note 19)	467,510	-	463,732	-	417,018	-
Deferred tax liabilities (Note 39)	807,156	-	715,671	-	649,579	-
Other liabilities (Note 30)	462,124	-	460,945	-	516,131	-
Total liabilities	587,771,137	91	568,231,255	91	548,787,444	91
EQUITY ATTRIBUTABLE TO OWNERS OF THE BANK						
Capital						
Common stock	27,339,923	4	27,339,923	4	27,339,923	5
Preferred stock	2,990,140	-	2,990,140	1	2,990,140	-
Total capital	30,330,063	4	30,330,063	5	30,330,063	5
Capital surplus	25,036	-	19,624	-	14,389	-
Retained earnings						
Legal reserve	5,789,200	1	5,789,200	1	4,341,816	1
Special reserve	3,197,011	-	3,197,011	1	634,610	-
Unappropriated earnings	4,125,408	1	2,756,051	-	6,222,810	1
Total retained earnings	13,111,619	2	11,742,262	2	11,199,236	2
Other equity	(1,660,612)	-	(1,828,393)	(1)	(2,541,254)	(1)
Treasury stock	(73,183)	-	(161,521)	-	(16,837)	-
Total equity attributable to owners of the Bank	41,732,923	6	40,102,035	6	38,985,597	6
NON-CONTROLLING INTERESTS	18,782,773	3	18,415,711	3	17,073,543	3
Total equity (Note 31)	60,515,696	9	58,517,746	9	56,059,140	9
TOTAL	$ 648,286,833	100	$ 626,749,001	100	$ 604,846,584	100

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

(With Deloitte & Touche auditors' review report dated May 2, 2024)

O-BANK AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
INTEREST REVENUE (Notes 32 and 41)	$ 3,867,035	130	$ 3,047,458	118
INTEREST EXPENSE (Notes 32 and 41)	(3,414,566)	(115)	(2,532,336)	(98)
NET INTEREST	452,469	15	515,122	20
NET REVENUE OTHER THAN INTEREST REVENUE				
Service fee income, net (Notes 33 and 41)	823,819	28	662,272	26
Gains on financial assets or liabilities measured at fair value through profit or loss (Note 34)	2,842,521	95	1,303,525	50
Realized gains on financial assets at fair value through other comprehensive income (Note 35)	163,398	5	13,345	-
Foreign exchange gain (loss), net	(1,338,215)	(45)	11,237	-
Impairment loss on assets	(5,950)	-	(4,836)	-
Share of profit of associates accounted for using equity method (Note 16)	19,791	1	66,330	3
Other net revenue other than interest	22,567	1	16,538	1
Total net revenue other than interest revenue	2,527,931	85	2,068,411	80
NET REVENUE	2,980,400	100	2,583,533	100
BAD DEBTS EXPENSE, COMMITMENT AND GUARANTEE LIABILITY PROVISION (Note 14)	(103,330)	(3)	(73,547)	(3)
OPERATING EXPENSES				
Employee benefits expenses (Notes 29, 36 and 41)	797,982	27	690,460	27
Depreciation and amortization expenses (Note 37)	153,177	5	144,356	5
Other general and administrative expenses (Notes 38 and 41)	364,413	12	311,029	12
Total operating expenses	1,315,572	44	1,145,845	44
PROFIT BEFORE INCOME TAX	1,561,498	53	1,364,141	53
INCOME TAX EXPENSE (Note 39)	290,120	10	254,475	10
NET PROFIT FOR THE PERIOD	1,271,378	43	1,109,666	43

(Continued)

O-BANK AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME				
Components of other comprehensive income (loss) that will not be reclassified to profit or loss:				
Gains (losses) on remeasurements of defined benefit plans	$ 560	-	$ (3,482)	-
Revaluation gains on investments in equity instruments measured at fair value through other comprehensive income	608,423	21	125,116	5
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	8,475	-	1,514	-
Income tax related to components of other comprehensive income (loss) that will not be reclassified to profit or loss (Note 39)	(112)	-	697	-
Components of other comprehensive income that will not be reclassified to profit or loss, net of tax	617,346	21	123,845	5
Components of other comprehensive income (loss) that will be reclassified to profit or loss:				
Exchange differences on translation of financial statements of foreign operations	475,497	16	(85,154)	(3)
Gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	(457,509)	(16)	960,641	37
Income tax related to components of other comprehensive loss that will be reclassified to profit or loss (Note 39)	(3,798)	-	(60,155)	(3)
Components of other comprehensive income that will be reclassified to profit or loss, net of tax	14,190	-	815,332	31
Other comprehensive income for the period, net of income tax	631,536	21	939,177	36
TOTAL COMPREHENSIVE INCOME	$ 1,902,914	64	$ 2,048,843	79
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Bank	$ 953,473	32	$ 738,461	29
Non-controlling interests	317,905	11	371,205	14
	$ 1,271,378	43	$ 1,109,666	43

(Continued)

O-BANK AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Bank	$ 1,537,138	52	$ 1,262,621	49
Non-controlling interests	365,776	12	786,222	30
	$ 1,902,914	64	$ 2,048,843	79
EARNINGS PER SHARE (Note 40)				
Basic	$0.35		$0.27	
Diluted	$0.32		$0.24	

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

(With Deloitte & Touche auditors' review report dated May 2, 2024) (Concluded)

O-BANK AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Bank (Notes 9 and 31)													
	Capital Stock				Retained Earning				Other Equity					
	Common Stock	Preferred Stock	Total	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on the Translation of Financial Statements of Foreign Operations	Unrealized Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Stock	Owners of the Bank	Non-controlling Interests (Note 31)	Total Equity
BALANCE AT JANUARY 1, 2023	$ 27,339,923	$ 2,990,140	$ 30,330,063	$ 13,652	$ 4,341,816	$ 634,610	$ 5,469,437	$ 10,445,863	$ 165,887	$ (3,216,389)	$ (16,837)	$ 37,722,239	$ 16,287,325	$ 54,009,564
Changes in capital surplus from investments in subsidiaries accounted for using the equity method	-	-	-	(1)	-	-	-	-	-	-	-	(1)	-	(1)
Unclaimed dividends	-	-	-	738	-	-	-	-	-	-	-	738	(4)	734
Net profit for the three months ended March 31, 2023	-	-	-	-	-	-	738,461	738,461	-	-	-	738,461	371,205	1,109,666
Other comprehensive income (loss) for the three months ended March 31, 2023, net of income tax	-	-	-	-	-	-	(632)	(632)	(71,440)	596,232	-	524,160	415,017	939,177
Total comprehensive income (loss) for the three months ended March 31, 2023	-	-	-	-	-	-	737,829	737,829	(71,440)	596,232	-	1,262,621	786,222	2,048,843
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	15,544	15,544	-	(15,544)	-	-	-	-
BALANCE AT MARCH 31, 2023	$ 27,339,923	$ 2,990,140	$ 30,330,063	$ 14,389	$ 4,341,816	$ 634,610	$ 6,222,810	$ 11,199,236	$ 94,447	$ (2,635,701)	$ (16,837)	$ 38,985,597	$ 17,073,543	$ 56,059,140
BALANCE AT JANUARY 1, 2024	$ 27,339,923	$ 2,990,140	$ 30,330,063	$ 19,624	$ 5,789,200	$ 3,197,011	$ 2,756,051	$ 11,742,262	$ 109,410	$ (1,937,803)	$ (161,521)	$ 40,102,035	$ 18,415,711	$ 58,517,746
Changes in capital surplus from investments in subsidiaries accounted for using the equity method	-	-	-	3,068	-	-	-	-	-	-	-	3,068	-	3,068
Unclaimed dividends	-	-	-	659	-	-	-	-	-	-	-	659	1,286	1,945
Net profit for the three months ended March 31, 2024	-	-	-	-	-	-	953,473	953,473	-	-	-	953,473	317,905	1,271,378
Other comprehensive income (loss) for the three months ended March 31, 2024, net of income tax	-	-	-	-	-	-	(452)	(452)	394,892	189,225	-	583,665	47,871	631,536
Total comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	-	-	953,021	953,021	394,892	189,225	-	1,537,138	365,776	1,902,914
Transfer of treasury stock to employees under share-based payment arrangements	-	-	-	1,685	-	-	-	-	-	-	88,338	90,023	-	90,023
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	416,336	416,336	-	(416,336)	-	-	-	-
BALANCE AT MARCH 31, 2024	$ 27,339,923	$ 2,990,140	$ 30,330,063	$ 25,036	$ 5,789,200	$ 3,197,011	$ 4,125,408	$ 13,111,619	$ 504,302	$ (2,164,914)	$ (73,183)	$ 41,732,923	$ 18,782,773	$ 60,515,696

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

(With Deloitte & Touche auditors' review report dated May 2, 2024)

O-BANK AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 1,561,498	$ 1,364,141
Adjustments for:		
Depreciation expense	74,852	74,986
Amortization expense	78,325	69,370
Expected credit losses/recognition of provisions	109,280	78,383
Net gain on financial assets or liabilities at fair value through profit or loss	(2,842,521)	(1,303,525)
Interest expense	3,414,566	2,532,336
Interest revenue	(3,867,035)	(3,047,458)
Dividends income	(15,552)	(6,449)
Share-based payment arrangements	7,253	-
Share of profit of associates accounted for using equity method	(19,791)	(66,330)
Loss (gain) on disposal of property and equipment	202	(2,563)
Gain on disposal of investments	(147,846)	(6,896)
Changes in operating assets and liabilities:		
Due from the Central Bank and call loans to banks	657,387	(1,070,233)
Financial assets at fair value through profit or loss	(6,839,963)	(8,241,359)
Financial assets at fair value through other comprehensive income	764,286	(6,992,971)
Investment in debt instruments at amortized cost	(934,654)	(6,359,996)
Bills and bonds purchased under resell agreements	220,491	1,699,843
Receivables	(835,102)	(243,051)
Discounts and loans	(10,701,993)	(4,763,693)
Deposits from the Central Bank and other banks	13,015,580	2,755,634
Financial liabilities at fair value through profit or loss	(463,135)	(417,230)
Bills and bonds sold under repurchase agreements	(6,165,960)	7,262,007
Payables	1,925,548	1,242,874
Deposits and remittances	6,235,744	12,692,612
Provisions	7,995	5,931
Cash flows used in operations	(4,760,545)	(2,743,637)
Interest received	3,785,055	2,679,160
Dividends received	18,825	2,631
Interest paid	(3,302,431)	(2,234,527)
Income taxes paid	(323,801)	(64,177)
Net cash flows used in operating activities	(4,582,897)	(2,360,550)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(27,493)	(20,716)
Proceeds from disposal of property and equipment	259	2,692
Decrease in refundable deposits	152,240	21,480
Acquisition of intangible assets	(9,815)	(31,950)

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O-BANK AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2024	2023
Decrease in other financial assets	$ 24,868	$ 6,104
Increase in other assets	(120,971)	(43,682)
Net cash flows generated from (used in) investing activities	19,088	(66,072)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	-	37,700
Increase in commercial papers	-	1,003,070
Decrease in commercial papers	(172,635)	-
Proceeds from issuing bank debentures	1,500,000	-
Repayment of the principal portion of lease liabilities	(39,882)	(31,891)
Increase in other financial liabilities	3,544,507	450,663
Increase in other liabilities	1,179	15,771
Transfer of treasury stock to employees	82,770	-
Net cash flows generated from financing activities	4,915,939	1,475,313
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	304,502	(71,964)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	656,632	(1,023,273)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	18,767,399	15,225,156
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 19,424,031	$ 14,201,883

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

	March 31	
	2024	2023
Cash and cash equivalents reported in the consolidated balance sheets	$ 7,559,906	$ 7,270,159
Due from the Central Bank and call loans to banks qualifying for cash and cash equivalents under the definition of IAS 7	10,903,981	6,017,424
Other items qualifying for cash and cash equivalents under the definition of IAS 7	960,144	914,300
Cash and cash equivalents at the end of the period	$ 19,424,031	$ 14,201,883

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

(With Deloitte & Touche auditors' review report dated May 2, 2024) (Concluded)

O-BANK AND SUBSIDIARIES

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

1. GENERAL INFORMATION

Industrial Bank of Taiwan started its preparation for incorporation on March 2, 1998, was authorized for incorporation by the Ministry of Finance on July 27, 1999, and began its business operations on September 2, 1999.

To be in coordination with the government's financial liberation policy and to increase the operating efficiency, on August 14, 2015, the Industrial Bank of Taiwan's board of directors approved of the application for a change of registration to a commercial bank and for a change of name to "O-Bank Co., Ltd." ("O-Bank" or the "Bank"). The Financial Supervisory Commission ("FSC") accepted the application on December 15, 2016 and required the Bank to submit its proposed adjustment plan to comply with the Banking Act of the Republic of China. On January 1, 2017, the Banking Bureau approved and issued the operating license for the Bank to operate a commercial banking business. The Bank's name was changed from "Industrial Bank of Taiwan" to "O-Bank Co., Ltd." on January 1, 2017.

The Bank's operations include the following: (a) accepting various deposits; (b) issuing bank debentures; (c) providing loans, discounts, and acceptance business; (d) providing domestic and foreign exchange and guarantee business; (e) issuing letters of credit at home and abroad; (f) making receipts and payments by agents; (g) investing in and underwriting offering of securities; (h) dealing in bonds; (i) factoring; (j) providing financial advisory services to financing and non-financing business; (k) wealth management business; (l) providing personal insurance and property insurance agent business; (m) dealing with debit card business; (n) providing foreign exchange services for client's imports or exports, overseas remittances, foreign currency deposits, and foreign currency loans and guarantees; (o) overseeing trust business under the Trust Business Law and regulations; and (p) dealing in derivative financial instruments and participating in other operations authorized by the central authorities.

As of March 31, 2024, the Bank has nine main department - Financial Business Department, Financial Market Department, Risk Control Department, Operation Management Department, Science and Technology Financial Department, Legal Affairs and Legal Compliance Department, Strategic Development Department, Internal Audit Department and Corporate Sustainability and Communications Department. It also has Operating Segment, Nanjing Fuxing branch, Taoyuan branch, Hsinchu branch, Taichung branch and Kaohsiung branch. In addition, it has an Offshore Banking Unit, Hong Kong branch, and Tianjin representative office.

The Bank's stocks were listed on the Emerging Stock Market of the Taipei Exchange ("TPEx") starting in August 2004. The TWSE approved the Bank's application for listing on November 28, 2016 and transferred the listing from the TPEx to the TWSE on May 5, 2017.

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

As of March 31, 2024, December 31, 2023 and March 31, 2023, the Bank and its subsidiaries (the "Group") had 1,475, 1,466 and 1,387 employees, respectively.

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors and authorized for issue on May 2, 2024.

3. APPLICATION OF NEW AND REVISED STANDARDS, AMENDMENTS 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 FSC

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 in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
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 9 and IFRS 17 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosures in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: 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.

IFRS 18 "Presentation and Disclosures 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 discounted operations categories.

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

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

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

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

4. SUMMARY OF 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, the Regulations Governing the Preparation of Financial Reports by Publicly Held Bills Finance Companies, and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC.

Disclosure information included in these interim consolidated financial statements is less than the IFRS Accounting Standards disclosure information required in a complete set of annual consolidated financial statements.

Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at revalued amounts or fair values and the net defined benefit liabilities (assets) recognized at the fair value of the assets. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Classification of Current and Non-current Assets and Liabilities

Since the operating cycle in the banking industry could not be clearly identified, accounts included in the consolidated financial statements of the Group were not classified as current or noncurrent. Nevertheless, accounts were properly categorized according to the nature of each account and sequenced by their liquidity. Refer to Note 46 for the maturity analysis of liabilities.

Basis of Consolidation

Principles for preparing consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Bank and the entities controlled by the Bank. Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Bank. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. The total comprehensive income of subsidiaries shall be attributed to the owners of the Bank and to the non-controlling interests, even if the balance becomes negative or loss is incurred.

Refer to Note 15 and Table 3 for the list of main business activities and ownership percentages of subsidiaries.

Other Material Accounting and Reporting Policies

Except as described in the following paragraphs, other material accounting policies used in the preparation of these consolidated financial statements are the same as those disclosed in the consolidated financial statements for the year ended December 31, 2023.

a. Retirement benefits

   Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

b. Income tax expense

   Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Estimated Impairment of Loans and Financial Guarantee Contract

The impairment of loans and financial guarantee contracts is based on assumptions about the risk of default and expected loss rates. The Group uses judgment in making these assumptions and in selecting the inputs of the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

6. CASH AND CASH EQUIVALENTS

	March 31, 2024	December 31, 2023	March 31, 2023
Cash on hand and petty cash	$ 135,182	$ 147,882	$ 112,591
Checking for clearing	1,667,548	1,353,302	1,473,061
Due from banks	5,757,176	4,054,616	5,684,507
	$ 7,559,906	$ 5,555,800	$ 7,270,159

The cash and cash equivalents of the consolidated cash flows and the related adjustments of the consolidated balance sheets on December 31, 2023 are as follows. The adjustments as March 31, 2024 and 2023, refer to the consolidated statements of cash flows.

	December 31, 2023
Cash and cash equivalents in the consolidated balance sheets	$ 5,555,800
Due from the Central Bank and call loans to banks qualifying for cash and cash equivalents under the definition of IAS 7	12,289,001
Others meet the definition of cash and cash equivalents under the definition of IAS 7	922,598
Cash and cash equivalents in the consolidated statements of cash flows	$ 18,767,399

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

	March 31, 2024	December 31, 2023	March 31, 2023
Reserves for deposits - Type A	$ 3,015,663	$ 3,331,764	$ 1,960,904
Reserves for deposits - Type B	5,993,556	5,837,376	5,839,348
Due from Central Bank - Financial	1,500,743	2,000,712	2,506,517
Call loans to banks	10,903,981	12,289,001	6,322,191
Others	64,009	61,506	48,763
	$ 21,477,952	$ 23,520,359	$ 16,677,723

Under a directive issued by the Central Bank, deposit reserves are determined monthly at prescribed rates on average balances of customers' deposits. Type B deposit reserves are subject to withdrawal restrictions.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2024	December 31, 2023	March 31, 2023
Financial assets mandatorily classified as at FVTPL			
Hybrid financial assets			
Convertible bonds - domestic (include assets swap contracts)	$ 8,208,073	$ 6,157,388	$ 7,698,250
Derivative financial assets			
Currency swap contracts	1,298,256	717,198	553,089
Forward contracts	70,982	31,052	50,021
Interest rate swap contracts	131,407	36,605	31,957
Currency option contracts - call	56,257	23,461	30,251
Promised purchase contracts	340	664	9,896
Future exchange margins	58,969	49,686	76,219
	1,616,211	858,666	751,433

(Continued)

	March 31, 2024	December 31, 2023	March 31, 2023
Non-derivative financial assets			
Treasury bills	$ -	$ -	$ 498,300
Commercial paper	118,840,811	112,290,378	108,316,508
Commercial paper contracts	293,309	236,866	204,347
Negotiable certificates of deposit	29,377,987	32,528,876	30,647,928
Stocks and beneficiary certificates	1,839,709	1,389,794	1,520,046
Government bonds	1,122,568	402,002	3,098,670
Corporate bonds	1,416,481	1,018,280	1,022,947
Bank debentures	276,947	-	-
Overseas government bonds	629,453	-	-
When-issued government bonds	444,411	-	-
	154,241,676	147,866,196	145,308,746
	$ 164,065,960	$ 154,882,250	$ 153,758,429
Held-for-trading financial liabilities			
Derivative financial instruments			
Currency swap contracts	$ 650,286	$ 1,116,259	$ 304,625
Forward contracts	68,167	199,566	76,087
Interest rate swap contracts	131,998	36,755	32,084
Currency option contracts - put	55,769	14,897	27,037
Promised purchase contracts	11,759	12,826	3,467
	917,979	1,380,303	443,300
Non-derivative financial liabilities			
Commercial paper contracts	20,591	21,402	147,635
	$ 938,570	$ 1,401,705	$ 590,935

(Concluded)

The Group engages in derivative transactions, including forward contracts, currency swap contracts and currency option contracts, mainly for accommodating customers' needs and managing the exposure positions. As for the engagement in interest rate swap contracts and cross-currency swap contracts, its purpose is to hedge risk of cash flow and risk of market value caused by the change of interest rates or exchange rates. The Group strategy is to hedge most of the market risk exposures using hedging instruments with market value changes that have a high negative correlation with the changes in the market of the exposures being hedged.

The contract amounts (or notional amounts) of outstanding derivative transactions as of March 31, 2024, December 31, 2023 and March 31, 2023 were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Interest rate swap contracts	$ 17,529,216	$ 9,109,905	$ 10,825,310
Currency swap contracts	163,497,466	136,153,362	137,357,867
Forward contracts	32,397,188	23,920,817	21,633,021
Currency option contracts			
Buy	4,938,536	1,977,359	2,045,160
Sell	2,655,894	704,187	1,692,553
Promised purchase contracts	6,450,000	6,450,000	15,450,000
Futures contract	191,940	-	12,182

As of March 31, 2024, December 31, 2023 and March 31, 2023, financial assets at fair value through profit and loss under agreement to repurchase were in the face amounts of $88,894,000 thousand, $92,833,500 thousand and $89,216,500 thousand, respectively.

Refer to Note 42 for information relating to financial assets at fair value through profit or loss pledged as security.

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2024	December 31, 2023	March 31, 2023
Investments in equity instruments at FVTOCI	$ 3,405,822	$ 2,910,766	$ 4,665,229
Investments in debt instruments at FVTOCI			
Government bonds	20,761,288	22,665,893	20,691,443
Bank debentures	27,514,329	27,848,639	28,370,220
Corporate bonds	89,112,706	87,533,071	79,557,536
Overseas government bonds	2,613,467	2,352,438	2,696,055
Commercial paper	5,335,126	3,447,154	6,793,140
Negotiable certificates of deposit	19,522,012	21,467,288	18,558,473
Mortgage-backed securities	2,497,660	2,457,669	2,530,830
	$ 170,762,410	$ 170,682,918	$ 163,862,926

a. Investments in equity instruments at FVTOCI

These investments in listed, unlisted and emerging stocks are not held for trading. Instead, they are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

The Group disposed stock classified as at FVTOCI for invested management purpose for the three months ended March 31, 2024 and 2023. The fair value of stocks classified as at FVTOCI which had to be disposed of were $3,201,602 thousand and $231,132 thousand and the accumulated gain or loss related to the sold assets of $416,336 thousand gain and $15,544 thousand gain, respectively, were transferred from other equity-unrealized valuation gain or loss on financial assets at FVTOCI to retained earnings.

Dividends income from FVTOCI of $15,552 thousand and $6,449 thousand were recognized in profit or loss for the three months ended March 31, 2024 and 2023. The dividends related to investments held at the end of the reporting period were $14,677 thousand and $6,449 thousand, respectively.

In accordance with the Q&A issued by the FSC, for the investments in the limited partnership held before June 30, 2023 in which the investment contract stipulates that the limited partnership has a limited duration and whether the duration can be extended is subject to the resolution of partners in the partners' meeting, the Group elected not to retrospectively apply the Q&A "Classification of Investments in a Limited Partnership" issued by the Accounting Research and Development Foundation (ARDF), and therefore the abovementioned investments are still classified as investments in equity instruments at FVTOCI.

b. Investments in debt instruments at FVTOCI

1) Refer to Note 42 for information relating to investments in debt instruments at FVTOCI pledged as security.

2) Refer to Note 46 for information relating to the credit risk management and impairment assessment of investments in debt instruments at FVTOCI.

3) Investments in debt instruments at FVTOCI under agreement to replacement to repurchase were in the face amount of $89,253,128 thousand, $92,107,406 thousand and $89,599,837 thousand, on March 31, 2024, December 31, 2023 and March 31, 2023, respectively.

10. INVESTMENTS IN DEBT INSTRUMENTS MEASURED AT AMORTIZED COST

	March 31, 2024	December 31, 2023	March 31, 2023
Government bonds	$ 13,211,720	$ 13,215,986	$ 12,208,147
Bank debentures	6,225,237	5,417,533	4,456,602
Corporate bonds	5,405,605	5,311,804	5,457,371
Overseas government bonds	956,774	918,376	907,189
Negotiable certificates of deposit	1,000,000	1,000,000	9,000,000
	26,799,336	25,863,699	32,029,309
Less: Allowance for impairment loss	(4,509)	(4,301)	(3,555)
	$ 26,794,827	$ 25,859,398	$ 32,025,754

Refer to Note 42 for information relating to investments in debt instruments at amortized cost pledged as security.

Refer to Note 46 for information relating to the credit risk management and impairment assessment of investments in debt instruments at amortized cost.

Investments in debt instruments at amortized cost under agreement to repurchase was in the face amount of $6,807,767 thousand, $6,490,252 thousand and $5,468,966 thousand, as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.

11. BILLS AND BONDS PURCHASED UNDER RESELL AGREEMENTS

As of March 31, 2024, December 31, 2023 and March 31, 2023, bonds and bills in the amounts of $2,644,534 thousand, $2,865,025 thousand and $2,252,156 thousand, respectively, had been purchased under resell agreements would subsequently be sold for $2,646,734 thousand, $2,867,919 thousand and $2,254,053 thousand before August 2024, February 2024 and April 2023, respectively.

As of March 31, 2024, December 31, 2023 and March 31, 2023, bonds and bills purchased under resell agreements were sold under repurchase agreements in the face amount of $2,088,800 thousand, $2,410,000 thousand and $2,233,300 thousand, respectively.

12. RECEIVABLES, NET

	March 31, 2024	December 31, 2023	March 31, 2023
Factored receivable	$ 355,111	$ 837,215	$ 987,929
Interest receivable	2,346,914	2,263,845	1,931,924
Accounts receivable	406,373	266,448	241,019
Investment settlements receivable	2,124,267	828,701	985,577
Acceptances receivable	92,401	205,561	54,437
Others	215,404	223,529	160,567
	5,540,470	4,625,299	4,361,453
Allowance for credit losses	12,805	19,608	42,549
Receivables, net	$ 5,527,665	$ 4,605,691	$ 4,318,904

The changes in gross carrying amount on receivables for the three months ended March 31, 2024 and 2023 were as follows:

	12-month ECLs	Lifetime ECLs	Lifetime ECLs (Credit-impaired Financial Assets)	Total
Balance at January 1, 2024	$ 4,563,763	$ 53,458	$ 8,078	$ 4,625,299
Transfers				
To 12-month ECLs	7	(7)	-	-
To lifetime ECLs	(16,814)	17,570	(756)	-
To credit-impaired financial assets	(624)	(147)	771	-
New financial assets purchased or originated	2,159,057	39,883	268	2,199,208
Derecognition of financial assets in the reporting period	(1,210,339)	(33,763)	(4,070)	(1,248,172)
Exchange rate or other changes	(37,034)	(271)	1,440	(35,865)
Balance at March 31, 2024	$ 5,458,016	$ 76,723	$ 5,731	$ 5,540,470
Balance at January 1, 2023	$ 3,023,921	$ 676,888	$ 37,299	$ 3,738,108
Transfers				
To 12-month ECLs	20	(20)	-	-
To lifetime ECLs	(973)	973	-	-
To credit-impaired financial assets	(185)	(41)	226	-
New financial assets purchased or originated	2,388,769	13,234	11,105	2,413,108
Derecognition of financial assets in the reporting period	(1,210,621)	(658,982)	(556)	(1,870,159)
Write-offs	-	-	-	-
Exchange rate or other changes	80,798	(222)	(180)	80,396
Balance at March 31, 2023	$ 4,281,729	$ 31,830	$ 47,894	$ 4,361,453

The Group provides an appropriate allowance for doubtful debts for the assessment of receivables. Refer to Note 14 for the details and changes in the allowance for doubtful debts of receivables.

Refer to Note 46 for the impairment loss analysis of receivables.

13. DISCOUNTS AND LOANS, NET

	March 31, 2024	December 31, 2023	March 31, 2023
Short-term	$ 94,472,099	$ 90,885,058	$ 82,250,566
Medium-term	114,443,887	107,744,707	105,162,366
Long-term	27,546,314	27,278,469	24,157,583
Export bill negotiated	172,125	525,546	1,343
Overdue loans	191,205	195,554	663,793
	236,825,630	226,629,334	212,235,651
Less: Allowance for credit losses	3,277,398	3,695,886	3,175,057
	$ 233,548,232	$ 222,933,448	$ 209,060,594

The changes in gross carrying amount on discount and loans for the three months ended March 31, 2024 and 2023 were as follows:

	12-month ECLs	Lifetime ECLs	Lifetime ECLs (Credit-impaired Financial Assets)	Total
Balance at January 1, 2024	$ 215,289,947	$ 10,080,624	$ 1,258,763	$ 226,629,334
Transfers				
To 12-month ECLs	1,282	(1,222)	(60)	-
To lifetime ECLs	(4,547,578)	4,760,915	(213,337)	-
To credit-impaired financial assets	(165,640)	(825,803)	991,443	-
New financial assets purchased or originated	76,228,077	7,032,581	45,964	83,306,622
Derecognition of financial assets in the reporting period	(71,359,464)	(3,458,846)	(53,699)	(74,872,009)
Write-offs	-	-	(586,768)	(586,768)
Exchange rate or other changes	2,302,755	11,058	34,638	2,348,451
Balance at March 31, 2024	$ 217,749,379	$ 17,599,307	$ 1,476,944	$ 236,825,630
Balance at January 1, 2023	$ 188,642,292	$ 17,438,208	$ 1,416,768	$ 207,497,268
Transfers				
To 12-month ECLs	63,122	(63,122)	-	-
To lifetime ECLs	(166,685)	166,685	-	-
To credit-impaired financial assets	(57,723)	(8,902)	66,625	-
New financial assets purchased or originated	66,572,245	8,912,018	176,992	75,661,255
Derecognition of financial assets in the reporting period	(60,779,322)	(9,301,797)	(227,854)	(70,308,973)
Write-offs	-	-	(17,612)	(17,612)
Exchange rate or other changes	(548,243)	(44,189)	(3,855)	(596,287)
Balance at March 31, 2023	$ 193,725,686	$ 17,098,901	$ 1,411,064	$ 212,235,651

The balance of the overdue loans of the Group as of March 31, 2024, December 31, 2023 and March 31, 2023 no longer include the calculation of interest. The unrecognized interest revenue on the above loans amounted to $1,553 thousand and $4,747 thousand for the three months ended March 31, 2024 and 2023, respectively. For the three months ended March 31, 2024 and 2023, the Group wrote off credits only upon completing the required legal procedures.

Refer to Note 42 for information relating to discounts and loan assets pledged as security.

The Group provides an appropriate allowance for doubtful debts based on the assessment of discounts and loans. Refer to Note 14 for the details and changes in the allowance for doubtful debts of discounts and loans.

Refer to Note 46 for the impairment loss analysis of discounts and loans.

14. ALLOWANCE FOR CREDIT LOSSES AND PROVISIONS

The changes in allowance for credit losses and provisions for the three months ended March 31, 2024 were as follows:

Allowance for Receivables	12-month ECLs	Lifetime ECLs	Lifetime ECLs (Credit-impaired Financial Assets)	Accumulated Amount under IFRS 9	Difference Between IFRS 9 and Local Requirements	Total
Balance at January 1, 2024	$ 4,043	$ 201	$ 1,608	$ 5,852	$ 13,756	$ 19,608
Transfers						
To lifetime ECLs	(80)	122	(42)	-	-	-
To credit-impaired financial assets	(171)	(99)	270	-	-	-
New financial assets purchased or originated	826	15	75	916	-	916
Derecognition of financial assets in the reporting period	(2,332)	(78)	(205)	(2,615)	-	(2,615)
Change in model or risk parameters	80	17	(347)	(250)	-	(250)
Difference between IFRS 9 and local requirements	-	-	-	-	(5,127)	(5,127)
Exchange rate or other changes	14	1	20	35	238	273
Balance at March 31, 2024	$ 2,380	$ 179	$ 1,379	$ 3,938	$ 8,867	$ 12,805

Allowance for Discounts and Loans	12-month ECLs	Lifetime ECLs	Lifetime ECLs (Credit-impaired Financial Assets)	Accumulated Amount under IFRS 9	Difference Between IFRS 9 and Local Requirements	Total
Balance at January 1, 2024	$ 556,255	$ 200,184	$ 289,738	$ 1,046,177	$ 2,649,709	$ 3,695,886
Transfers						
To 12-month ECLs	11	(10)	(1)	-	-	-
To lifetime ECLs	(34,164)	70,420	(36,256)	-	-	-
To credit-impaired financial assets	(13,389)	(11,113)	24,502	-	-	-
New financial assets purchased or originated	125,298	67,562	127,696	320,556	-	320,556
Derecognition of financial assets in the reporting period	(72,889)	(6,065)	(76,694)	(155,648)	-	(155,648)
Change in model or risk parameters	(64,571)	28,150	(73,703)	(110,124)	-	(110,124)
Difference between IFRS 9 and local requirements	-	-	547,893	547,893	(515,468)	32,425
Write-offs	-	-	(586,768)	(586,768)	-	(586,768)
Withdrawal after write-offs	-	-	25,880	25,880	-	25,880
Exchange rate or other changes	9,760	2,113	1,688	13,561	41,630	55,191
Balance at March 31, 2024	$ 506,311	$ 351,241	$ 243,975	$ 1,101,527	$ 2,175,871	$ 3,277,398

Reserve for Losses on Guarantees Contracts and Financing Commitments	12-month ECLs	Lifetime ECLs	Lifetime ECLs (Credit-impaired Financial Assets)	Accumulated Amount under IFRS 9	Difference Between IFRS 9 and Local Requirements	Total
Balance at January 1, 2024	$ 116,948	$ 15,780	$ -	$ 132,728	$ 1,696,070	$ 1,828,798
Transfers						
To lifetime ECLs	(207)	207	-	-	-	-
New financial assets purchased or originated	37,931	18,034	-	55,965	-	55,965
Derecognition of financial assets in the reporting period	(51,582)	(5,319)	-	(56,901)	-	(56,901)
Change in model or risk parameters	(17,405)	2,325	-	(15,080)	-	(15,080)
Difference between IFRS 9 and local requirements	-	-	-	-	39,213	39,213
Withdrawal after write-offs	-	-	-	-	164	164
Exchange rate or other changes	456	13	-	469	684	1,153
Balance at March 31, 2024	$ 86,141	$ 31,040	$ -	$ 117,181	$ 1,736,131	$ 1,853,312

The changes in allowance for credit losses and provisions for the three months ended March 31, 2023 were as follows:

Allowance for Receivables	12-month ECLs	Lifetime ECLs	Lifetime ECLs (Credit-impaired Financial Assets)	Accumulated Amount under IFRS 9	Difference Between IFRS 9 and Local Requirements	Total
Balance at January 1, 2023	$ 3,222	$ 1,105	$ 25,059	$ 29,386	$ 17,165	$ 46,551
Transfers						
To 12-month ECLs	-	-	-	-	-	-
To lifetime ECLs	(80)	80	-	-	-	-
To credit-impaired financial assets	(111)	(25)	136	-	-	-
New financial assets purchased or originated	2,316	21	1,513	3,850	-	3,850
Derecognition of financial assets in the reporting period	(1,950)	(1,000)	(96)	(3,046)	-	(3,046)
Change in model or risk parameters	227	(68)	(65)	94	-	94
Difference between IFRS 9 and local requirements	-	-	-	-	(4,519)	(4,519)
Write-offs	-	-	-	-	-	-
Withdrawal after write-offs	-	-	-	-	-	-
Exchange rate or other changes	(2)	-	(338)	(340)	(41)	(381)
Balance at March 31, 2023	$ 3,622	$ 113	$ 26,209	$ 29,944	$ 12,605	$ 42,549

Allowance for Discounts and Loans	12-month ECLs	Lifetime ECLs	Lifetime ECLs (Credit-impaired Financial Assets)	Accumulated Amount under IFRS 9	Difference Between IFRS 9 and Local Requirements	Total
Balance at January 1, 2023	$ 467,051	$ 90,549	$ 297,981	$ 855,581	$ 2,328,715	$ 3,184,296
Transfers						
To 12-month ECLs	36	(36)	-	-	-	-
To lifetime ECLs	(5,231)	5,231	-	-	-	-
To credit-impaired financial assets	(19,751)	(5,662)	25,413	-	-	-
New financial assets purchased or originated	120,796	11,268	30,004	162,068	-	162,068
Derecognition of financial assets in the reporting period	(137,866)	(16,947)	(36,850)	(191,663)	-	(191,663)
Change in model or risk parameters	46,993	8,715	(1,306)	54,402	-	54,402
Difference between IFRS 9 and local requirements	-	-	-	-	(8,736)	(8,736)
Write-offs	-	-	(17,612)	(17,612)	-	(17,612)
Withdrawal after write-offs	-	-	4,188	4,188	-	4,188
Exchange rate or other changes	(1,423)	(352)	(295)	(2,070)	(9,816)	(11,886)
Balance at March 31, 2023	$ 470,605	$ 92,766	$ 301,523	$ 864,894	$ 2,310,163	$ 3,175,057

Reserve for Losses on Guarantees Contracts and Financing Commitments	12-month ECLs	Lifetime ECLs	Lifetime ECLs (Credit-impaired Financial Assets)	Accumulated Amount under IFRS 9	Difference Between IFRS 9 and Local Requirements	Total
Balance at January 1, 2023	$ 103,759	$ 8,528	$ -	$ 112,287	$ 1,595,732	$ 1,708,019
Transfers						
To lifetime ECLs	-	-	-	-	-	-
New financial assets purchased or originated	40,758	3,214	734	44,706	-	44,706
Derecognition of financial assets in the reporting period	(35,588)	(2,709)	-	(38,297)	-	(38,297)
Change in model or risk parameters	(1,388)	290	-	(1,098)	-	(1,098)
Difference between IFRS 9 and local requirements	-	-	-	-	55,787	55,787
Withdrawal after write-offs	-	-	-	-	102	102
Exchange rate or other changes	(75)	(4)	-	(79)	(55)	(134)
Balance at March 31, 2023	$ 107,466	$ 9,319	$ 734	$ 117,519	$ 1,651,566	$ 1,769,085

15. SUBSIDIARIES

a. Subsidiary included in consolidated financial statements:

Investor	Investee	Main Business	% of Ownership March 31, 2024	% of Ownership December 31, 2023	% of Ownership March 31, 2023	Remark	Reviewed by CPA
The Bank	China Bills Finance Co. (CBF)	Bonds underwriting, dealing and brokerage of securities	28.37	28.37	28.37	Founded in 1978	Yes
	IBT Holding Corp.(IBTH)	Holding company	100.00	100.00	100.00	Founded in 2006 in California	Yes
	IBTM	Investment consulting	100.00	100.00	100.00	Founded in 2000	No
	IBT VII Venture Capital Co., Ltd.	Venture capital	100.00	100.00	100.00	Founded in 2014	No
IBTH	EverTrust Bank	Banking	91.78	91.78	91.78	Founded in 1994 in California	Yes

b. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Principal Place of Business	Proportion of Ownership and Voting Rights Held by Non-controlling Interests March 31, 2024	December 31, 2023	March 31, 2023
CBF	Taipei	71.63%	71.63%	71.63%

The summarized financial information below represents amounts before intragroup eliminations:

	March 31, 2024	December 31, 2023	March 31, 2023
CBF			
Equity attributable to:			
Owners of the CBF	$ 7,206,971	$ 7,073,256	$ 6,543,931
Non-controlling interests of CBF	18,197,597	17,859,968	16,523,421
	$ 25,404,568	$ 24,933,224	$ 23,067,352

	For the Three Months Ended March 31 2024	2023
Net revenue	$ 676,332	$ 734,030
Net profit from continuing operations	$ 434,237	$ 505,661
Other comprehensive income for the period	35,312	583,695
Total comprehensive income for the period	$ 469,549	$ 1,089,356

(Continued)

	For the Three Months Ended March 31	
	2024	2023
Profit attributable to:		
Owners of CBF	$ 123,188	$ 143,450
Non-controlling interests of CBF	311,049	362,211
	$ 434,237	$ 505,661
Total comprehensive income attributable to:		
Owners of CBF	$ 133,205	$ 309,037
Non-controlling interests of CBF	336,344	780,319
	$ 469,549	$ 1,089,356
Net cash outflow from:		
Operating activities	$ (9,824,006)	$ (1,213,660)
Investing activities	(3,554)	(6,522)
Financing activities	9,899,925	989,489
Net cash inflow (outflow)	$ 72,365	$ (230,693)
Dividends paid to non-controlling interests of CBF	$ -	$ -

(Concluded)

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD, NET

Investments in Associates

	March 31, 2024	December 31, 2023	March 31, 2023
Associates - Infinite Finance Co., Ltd.	$ 5,887,947	$ 5,850,311	$ 6,247,556
Associates - Beijing Sunshine Consumer Finance Co., Ltd.	1,201,556	1,144,527	1,068,114
	$ 7,089,503	$ 6,994,838	$ 7,315,670

The Bank was jointly invested in Beijing Sunshine Consumer Finance Co., Ltd., with China Everbright Bank and China CYT Holdings Co. The Bank's investment amounted to RMB200,000 thousand with the shareholding ratio of 20%, and Beijing Sunshine Consumer Finance Co., Ltd. has begun operation since August 17, 2020.

On July 21, 2022, the Bank's board of directors resolved to merge IBT Leasing with Jih Sun International Leasing & Finance Co., Ltd. (referred to as "Jih Sun Leasing"). In this merger, Jih Sun Leasing is the surviving company and is renamed Infinite Finance Co., Ltd., Ltd. The share exchange ratio is one IBT Leasing ordinary share for 0.5834 Jih Sun Leasing shares, with Jih Sun Leasing anticipating issuing 156,193 thousand shares to the Bank. Merged conversion amounted to NT$6,198,618 thousand. The record date of the merger is December 1, 2022. After the merger, the Bank will hold 44.48% shares of the surviving company and has no control over it.

On June 19, 2023, the Bank disposed 713 thousand shares of Infinite Finance for NT$26,738 thousand. After the disposal, the bank's shareholding ratio was 44.27%.

Refer to Table 3 "Name, locations and other information of investees on which the Group exercises significant influence" for the nature of activities, principal place of business and country of incorporation of the associate.

Investment was accounted for using the equity method, and the share of profit or loss and other comprehensive income of this investment were calculated based on financial statements which have not been reviewed. Management believes there is no material impact on the equity method of accounting or the calculation of the share of profit or loss and other comprehensive income from the financial statements of Beijing Sunshine Consumer Finance Co., Ltd., which have not been reviewed.

17. OTHER FINANCIAL ASSETS

	March 31, 2024	December 31, 2023	March 31, 2023
Time deposits with original maturities more than 3 months	$ 72,651	$ 77,190	$ 76,191
Call loans to securities corporation limited	960,144	922,598	914,300
Repurchase agreement margins	39,049	59,378	88,920
	$ 1,071,844	$ 1,059,166	$ 1,079,411

18. PROPERTY AND EQUIPMENT, NET

	March 31, 2024	December 31, 2023	March 31, 2023
Carrying amounts of each class of			
Land	$ 781,970	$ 781,970	$ 781,970
Buildings	1,142,817	1,153,883	1,182,870
Machinery and computer equipment	245,246	259,555	239,162
Transportation equipment	22,827	20,645	23,182
Office and other equipment	26,148	28,756	34,170
Lease improvement	66,130	68,671	75,999
Construction in progress and prepayments for equipment	92,522	76,157	41,241
	$ 2,377,660	$ 2,389,637	$ 2,378,594

The movements of property and equipment for the three months ended March 31, 2024 and 2023 are summarized as follows:

	Land	Buildings	Machinery and Computer Equipment	Transportation Equipment	Office and Other Equipment	Lease Improvement	Construction in Progress and Prepayments for Equipment	Total
Cost								
Balance at January 1, 2024	$ 781,970	$ 1,913,782	$ 814,516	$ 56,887	$ 287,586	$ 396,050	$ 76,157	$ 4,326,948
Additions	-	670	1,161	4,145	582	205	20,730	27,493
Disposals and scrapped	-	-	(5,963)	(1,554)	(2,987)	-	-	(10,504)
Reclassification	-	-	-	-	-	1,736	(4,737)	(3,001)
Effect of foreign currency exchange differences	-	-	1,000	332	2,153	5,896	372	9,753
Balance at March 31, 2024	$ 781,970	$ 1,914,452	$ 810,714	$ 59,810	$ 287,334	$ 403,887	$ 92,522	$ 4,350,689
Accumulated depreciation and impairment								
Balance at January 1, 2024	$ -	$ 759,899	$ 554,961	$ 36,242	$ 258,830	$ 327,379	$ -	$ 1,937,311
Disposals and scrapped	-	-	(5,955)	(1,295)	(2,793)	-	-	(10,043)
Depreciation expense	-	11,736	15,808	1,757	3,216	5,710	-	38,227
Effect of foreign currency exchange differences	-	-	654	279	1,933	4,668	-	7,534
Balance at March 31, 2024	$ -	$ 771,635	$ 565,468	$ 36,983	$ 261,186	$ 337,757	$ -	$ 1,973,029
Carrying amounts								
Balance at March 31, 2024	$ 781,970	$ 1,142,817	$ 245,246	$ 22,827	$ 26,148	$ 66,130	$ 92,522	$ 2,377,660
Cost								
Balance at January 1, 2023	$ 781,970	$ 1,906,456	$ 804,110	$ 68,166	$ 284,522	$ 384,711	$ 29,930	$ 4,259,865
Additions	-	1,074	1,197	-	1,047	284	17,114	20,716
Disposals and scrapped	-	-	(5,487)	(11,329)	(323)	-	-	(17,139)
Reclassification	-	294	2,240	-	-	-	(5,803)	(3,269)
Effect of foreign currency exchange differences	-	-	(218)	(108)	(531)	(1,468)	-	(2,325)
Balance at March 31, 2023	$ 781,970	$ 1,907,824	$ 801,842	$ 56,729	$ 284,715	$ 383,527	$ 41,241	$ 4,257,848
Accumulated depreciation and impairment								
Balance at January 1, 2023	$ -	$ 713,346	$ 552,103	$ 43,020	$ 247,051	$ 299,210	$ -	$ 1,854,730
Disposals and scrapped	-	-	(5,426)	(11,262)	(322)	-	-	(17,010)
Depreciation expense	-	11,608	16,182	1,862	4,266	9,454	-	43,372
Effect of foreign currency exchange differences	-	-	(179)	(73)	(450)	(1,136)	-	(1,838)
Balance at March 31, 2023	$ -	$ 724,954	$ 562,680	$ 33,547	$ 250,545	$ 307,528	$ -	$ 1,879,254
Carrying amounts								
Balance at March 31, 2023	$ 781,970	$ 1,182,870	$ 239,162	$ 23,182	$ 34,170	$ 75,999	$ 41,241	$ 2,378,594

The above items of property and equipment are depreciated on a straight-line basis at the following rates per annum:

Buildings	5-55 years
Machinery and computer equipment	3-25 years
Transportation equipment	3-5 years
Office and other equipment	3-15 years
Lease improvement	5-8 years

19. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2024	December 31, 2023	March 31, 2023
Carrying amounts			
Buildings	$ 435,499	$ 431,604	$ 386,437
Machinery	220	294	515
Transportation equipment	11,874	12,672	12,908
Office equipment	1,866	2,021	1,436
	$ 449,459	$ 446,591	$ 401,296

	For the Three Months Ended March 31	
	2024	2023
Additions to right-of-use assets	$ 29,614	$ 15,750
Depreciation charge for right-of-use assets		
Buildings	$ 35,212	$ 30,302
Machinery	74	74
Transportation equipment	1,106	898
Office equipment	233	340
	$ 36,625	$ 31,614

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the three months ended March 31, 2024 and 2023.

b. Lease liabilities

	March 31, 2024	December 31, 2023	March 31, 2023
Carrying amounts	$ 467,510	$ 463,732	$ 417,018

Range of discount rates for lease liabilities was as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Buildings	1.35%-5.88%	1.35%-5.63%	0.67%-5.63%
Machinery	1.36%	1.36%	1.36%
Transportation equipment	1.85%-2.62%	1.85%-2.62%	1.85%-2.17%
Office equipment	1.08%-4.48%	1.08%-4.48%	0.63%-4.42%

c. Material lease-in activities

Due to rental of buildings, the Group had entered into various leasehold contracts with others, respectively. These contracts are gradually expiring before the end of March 2033. As of March 31, 2024, December 31, 2023 and March 31, 2023, refundable deposits paid under operating lease amounted to $32,888 thousand, $32,198 thousand and $28,004 thousand.

d. Other lease information

	For the Three Months Ended March 31	
	2024	**2023**
Expenses relating to short-term leases	$ 1,424	$ 606
Expenses relating to low-value asset leases	$ 1,405	$ 550
Total cash outflow for leases	$ (42,711)	$ (33,047)

20. INTANGIBLE ASSETS, NET

	March 31, 2024	**December 31, 2023**	**March 31, 2023**
Carrying amounts of each class of			
Computer software	$ 442,976	$ 508,134	$ 609,441
Goodwill	1,214,143	1,167,045	1,156,636
	$ 1,657,119	$ 1,675,179	$ 1,766,077

The changes in intangible assets for the three months ended March 31, 2024 and 2023 are summarized as follows:

	Computer Software	**Goodwill**	**Others**	**Total**
Cost				
Balance at January 1, 2024	$ 2,538,244	$ 1,167,045	$ 7,508	$ 3,712,797
Additions	9,815	-	-	9,815
Scrapped	(56)	-	-	(56)
Reclassification	3,001	-	-	3,001
Effect of foreign currency exchange differences	3,054	47,098	306	50,458
Balance at March 31, 2024	$ 2,554,058	$ 1,214,143	$ 7,814	$ 3,776,015

(Continued)

	Computer Software	Goodwill	Others	Total
Accumulated amortization and impairment				
Balance at January 1, 2024	$ 2,030,110	$ -	$ 7,508	$ 2,037,618
Amortization	78,325	-	-	78,325
Scrapped	(56)	-	-	(56)
Effect of foreign currency exchange differences	2,703	-	306	3,009
Balance at March 31, 2024	$ 2,111,082	$ -	$ 7,814	$ 2,118,896
Carrying amounts				
Balance at March 31, 2024	$ 442,976	$ 1,214,143	$ -	$ 1,657,119
Cost				
Balance at January 1, 2023	$ 2,410,275	$ 1,165,895	$ 7,500	$ 3,583,670
Additions	31,950	-	-	31,950
Scrapped	(2,836)	-	-	(2,836)
Reclassification	3,269	-	-	3,269
Effect of foreign currency exchange differences	(1,006)	(9,259)	(60)	(10,325)
Balance at March 31, 2023	$ 2,441,652	$ 1,156,636	$ 7,440	$ 3,605,728
Accumulated amortization and impairment				
Balance at January 1, 2023	$ 1,766,506	$ -	$ 7,500	$ 1,774,006
Amortization	69,370	-	-	69,370
Scrapped	(2,836)	-	-	(2,836)
Effect of foreign currency exchange differences	(829)	-	(60)	(889)
Balance at March 31, 2023	$ 1,832,211	$ -	$ 7,440	$ 1,839,651
Carrying amounts				
Balance at March 31, 2023	$ 609,441	$ 1,156,636	$ -	$ 1,766,077

(Concluded)

The goodwill was recognized from IBT Holding Corp.'s purchase of 100% of the stocks of Ever Trust Bank on March 30, 2007. The investment cost exceeded the fair value of net identifiable assets.

When the Group executes the goodwill impairment test, Ever Trust Bank was used as a cash-generating unit, and the recoverable amount is assessed by the value in use of the cash-generating unit. The key assumptions base the expected future cash flows on the actual profit conditions of the cash-generating units. On the assumption of sustainable operations, the Group discounts the net cash flows from those of the operations of the cash-generating units in the next five years in order to calculate the value in use. Under the estimation of the Group, there is no occurrence of impairment.

The computer software and other intangible assets are amortized on a straight-line basis of 1 and 15 years, respectively.

21. OTHER ASSETS

	March 31, 2024	December 31, 2023	March 31, 2023
Refundable deposits	$ 917,592	$ 1,069,832	$ 737,526
Life insurance cash surrender value	354,418	339,929	337,626
Prepayments	202,982	98,378	119,015
Others	187,891	186,013	187,011
	$ 1,662,883	$ 1,694,152	$ 1,381,178

22. DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS

	March 31, 2024	December 31, 2023	March 31, 2023
Call loans from banks	$ 35,474,397	$ 22,571,455	$ 18,135,612
Deposits from Chunghwa Post Co., Ltd.	5,000,000	5,000,000	5,000,000
Call loans from the Central Bank	2,880,432	2,767,794	3,047,666
	$ 43,354,829	$ 30,339,249	$ 26,183,278

23. BILLS AND BONDS SOLD UNDER REPURCHASE AGREEMENTS

	March 31, 2024	December 31, 2023	March 31, 2023
Bills	$ 86,870,062	$ 90,136,887	$ 86,323,802
Government bonds	16,685,932	17,107,445	17,621,071
Corporate bonds	65,035,957	64,867,239	61,740,304
Bank debentures	19,329,357	21,975,697	21,192,334
Beneficiary securities	-	-	541,253
	$ 187,921,308	$ 194,087,268	$ 187,418,764
Date of agreements to repurchase	Before January 2025	Before December 2024	Before March 2024
Amount of agreements to repurchase	$ 183,841,090	$ 189,761,652	$ 183,708,098

The bank and its subsidiaries have repurchase bills and bond liabilities with an unspecified maturity date as of March 31, 2024, December 31, 2023 and March 31, 2023, with a face value of $5,100,275 thousand, $5,358,766 thousand and $4,543,562 thousand, respectively.

24. PAYABLES

	March 31, 2024	December 31, 2023	March 31, 2023
Investment settlements payables	$ 2,086,607	$ 73,344	$ 543,063
Acceptances	92,400	205,561	54,437
Accounts payables	80,326	66,196	67,813
Accrued interest	1,928,173	1,819,835	1,287,816
Accrued expenses	968,729	1,324,896	938,147
Collections payables	157,558	144,514	133,762
Factored payables	203,622	141,338	195,519
Checks for clearing payables	1,667,548	1,353,302	1,473,061
Others	69,084	103,214	84,605
	$ 7,254,047	$ 5,232,200	$ 4,778,223

25. DEPOSITS AND REMITTANCES

	March 31, 2024	December 31, 2023	March 31, 2023
Deposits			
Checking	$ 5,321,816	$ 5,051,462	$ 5,526,181
Demand	54,795,877	48,807,145	41,524,295
Time	238,213,821	245,022,291	242,315,526
Savings deposits	24,423,644	17,671,769	16,462,566
Export remittances	42,884	9,631	29,030
	$ 322,798,042	$ 316,562,298	$ 305,857,598

26. BANK DEBENTURES PAYABLE

	March 31, 2024	December 31, 2023	March 31, 2023
Subordinate bonds A first issued in 2016; fixed 1.70% interest rate; maturity: June 29, 2023; interest paid annually and repayment of the principal at maturity	$ -	$ -	1,500,000
Subordinate bonds B first issued in 2016; fixed 1.80% interest rate; maturity: June 29, 2024; interest paid annually and repayment of the principal at maturity	1,500,000	1,500,000	1,500,000
Subordinate bonds first issued in 2017; fixed 1.97% interest rate; maturity: September 5, 2027; interest paid annually and repayment of the principal at maturity	2,000,000	2,000,000	2,000,000

(Continued)

	March 31, 2024	December 31, 2023	March 31, 2023
Subordinate bonds A second issued in 2017; fixed 4.00% interest rate; no maturity, interest paid annually	$ -	$ -	$ 750,000
Subordinate bonds B second issued in 2017; fixed 1.82% interest rate; maturity: December 27, 2027; interest paid annually and repayment of the principal at maturity	1,000,000	1,000,000	1,000,000
Subordinate bonds A first issued in 2018; fixed 4.00% interest rate; no maturity, interest paid annually	700,000	700,000	700,000
Subordinate bonds B first issued in 2018; fixed 1.75% interest rate; maturity: June 29, 2028; interest paid annually and repayment of the principal at maturity	1,050,000	1,050,000	1,050,000
Subordinate bonds first issued in 2019; fixed 1.50% interest rate; maturity: June 6, 2026; interest paid annually and repayment of the principal at maturity	2,500,000	2,500,000	2,500,000
Subordinate bonds first issued in 2021; fixed 0.90% interest rate; maturity: June 25, 2028; interest paid annually and repay the principal at maturity	1,000,000	1,000,000	1,000,000
Bonds second issued in 2021; fixed 0.65% interest rate; maturity: December 22, 2024; interest paid annually and repay the principal at maturity	500,000	500,000	500,000
Subordinate bonds first issued in 2022; fixed 2.30% interest rate; maturity: September 27, 2029; interest paid annually and repayment of the principal at maturity	1,100,000	1,100,000	1,100,000
Subordinate bonds first issued in 2023; fixed 2.00% interest rate; maturity: April 27, 2030; interest paid annually and repayment of the principal at maturity	900,000	900,000	-
Subordinate bonds second issued in 2023; fixed 2.20% interest rate; maturity: September 27, 2030; interest paid annually and repayment of the principal at maturity	700,000	700,000	-
Subordinate bonds first issued in 2024; fixed 2.30% interest rate; maturity: March 27, 2031; interest paid annually and repayment of the principal at maturity	1,500,000	-	-
	$ 14,450,000	$ 12,950,000	$ 13,600,000

(Concluded)

27. OTHER FINANCIAL LIABILITIES

	March 31, 2024	December 31, 2023	March 31, 2023
Bank borrowings	$ 64,000	$ 64,000	$ 89,700
Commercial papers payable	118,828	291,463	3,222,438
Principal of structured products	5,033,634	1,664,753	1,707,004
Funds obtained from the government - intended for specific types of loans	1,891,547	1,715,921	1,626,812
	$ 7,108,009	$ 3,736,137	$ 6,645,954

a. Bank borrowings

	March 31, 2024	December 31, 2023	March 31, 2023
Short-term borrowings	$ 64,000	$ 64,000	$ 89,700
Interest rate interval			
New Taiwan dollars	2.07%-2.15%	1.95%-2.07%	1.81%-2.10%

b. Commercial papers payable

	March 31, 2024	December 31, 2023	March 31, 2023
Commercial papers payable	$ 119,000	$ 292,000	$ 3,226,000
Less: Unamortized discount	(172)	(537)	(3,562)
	$ 118,828	$ 291,463	$ 3,222,438
Interest rate interval	2.09%	2.08%-2.14%	1.27%-2.12%

c. Funds obtained from the government - intended for specific types of loans

	March 31, 2024	December 31, 2023	March 31, 2023
Funds obtained from the government - intended for specific types of loans	$ 1,891,547	$ 1,715,921	$ 1,626,812

The Lending Fund is a development fund established by the Executive Yuan to promote the development of the financial market economy. The Bank applied for the quota and appointed, Export-Import Bank of the Republic of China, China Trust Commercial Bank, and Taiwan Enterprise Bank to act as the managing bank wherein the loan quota is available for use.

28. PROVISIONS

	March 31, 2024	December 31, 2023	March 31, 2023
Provisions for employee benefits	$ 157,210	$ 150,981	$ 173,366
Provisions for losses on guarantees contracts	1,742,091	1,720,577	1,676,364
Provisions for losses on financing commitments	111,221	108,221	92,721
	$ 2,010,522	$ 1,979,779	$ 1,942,451

Refer to Note 14 for the details and changes in the provision for losses on guarantees contracts and financing commitments.

29. RETIREMENT BENEFIT PLANS

Defined Contribution Plan

The pension system under the "Labor Pensions Ordinance" applicable to the Bank and its subsidiaries is the required retirement plan stipulated by the government, except that of Ever Trust Bank which is not more than 10% of the annual salary of the respective employees. A pension of 6% of an employee's monthly salary is paid to the Labor Insurance Bureau under each individual's account.

The amount to be paid in accordance with the percentage specified in the proposed plan for the three months ended March 31, 2024 and 2023 was recognized in the consolidated statements of comprehensive income in the total amounts of $22,418 thousand and $20,336 thousand, respectively.

Defined Benefit Plan

The retirement benefit expenses recognized under defined benefit plans which amounted to $3,307 thousand and $2,957 thousand for the three months ended March 31, 2024 and 2023 were calculated using the actuarially determined discount rates as of December 31, 2023 and 2022, respectively.

30. OTHER LIABILITIES

	March 31, 2024	December 31, 2023	March 31, 2023
Guarantee deposits received	$ 167,121	$ 179,345	$ 246,609
Advance revenue	46,361	51,076	49,013
Payable for custody	3,980	8,137	13,948
Receipts in suspense and pending settlement	158,933	119,241	102,609
Deferred revenue	78,141	95,976	96,814
Others	7,588	7,170	7,138
	$ 462,124	$ 460,945	$ 516,131

31. EQUITY

a. Capital stock

	March 31, 2024	December 31, 2023	March 31, 2023
Number of stock authorized (in thousands)	3,500,000	3,500,000	3,500,000
Amount of capital stock authorized	$ 35,000,000	$ 35,000,000	$ 35,000,000
Number of stocks issued and fully paid (in thousands)			
Common stock	2,733,992	2,733,992	2,733,992
Preferred stock	299,014	299,014	299,014
Amount of stocks issued	$ 30,330,063	$ 30,330,063	$ 30,330,063

Fully paid common stock, which have a par value of $10, carry one vote per share and carry a right to dividends.

On June 27, 2018, the Bank's board of directors resolved to issue 300,000 thousand Series A preferred stock, with a par value of $10. The subscription date was November 29, 2018, and finished the registration on December 21, 2018. The rights and obligations of Series A preferred stockholders are as follows:

1) The interest rate of Series A preferred stock shall be based on the 5-year Interest Rate Swap (IRS) rate on the pricing date and the interest shall be calculated on the issue price per share; the interest rate is initially set at 0.94375% plus 3.30625% (total 4.25%) per annum. The interest Rate Swap issued price per share. Interest rate per annum will be reset on the day after the 5.5-year anniversary of the issue date and the day after each subsequent period of 5.5 years thereafter. Dividends for the Series A preferred stock shall be declared once every year in cash. After the stockholders' approval of the Bank's financial statements at its annual stockholders' meeting, the board of directors may set a record date for the distribution of dividends declared from the previous year. Dividend distribution for the years of issuance and redemption shall be calculated pursuant to actual issued days of the given year.

2) The Bank has sole discretion on dividend issuance of Series A preferred stock including, but not limited to, its discretion to not declare dividends when no profit is recorded, or insufficient profit is recorded for preferred stock dividends, or preferred stock dividend declaration would render the Bank of International Settlement (BIS) ratio below the level required by the law or relevant authorities, or due other necessary consideration. The Series A preferred stockholders shall not have any objection towards the Bank's cancellation of preferred stock dividend declaration. Undeclared or under declared dividends are not cumulative and are not paid in subsequent years with profit.

3) Unless the authorities take over the Bank, order the Bank to suspend, terminate or liquidate its business in accordance with the "Regulations Governing the Capital Adequacy and Capital Category of Banks", Series A preferred stockholders shall have the same priority as the common stockholders in the event of liquidation, both second to tier 2 capital instrument holder, depositor, and common creditor, but will be capped at the value of issuance.

4) Series A preferred stockholders have no voting rights at the annual stockholders' meeting and cannot elect directors. However, the preferred stockholders should have voting rights at the preferred stockholders' meeting and also at the stockholders' meeting when it involves the rights and obligations of the preferred stockholders, and the aforesaid stockholders are eligible for director candidacy. Series A preferred stockholders have voting rights at Series A stockholders' meeting.

5) The preferred stock issued by the Bank shall not be converted within one year from the date of issuance. Starting from the day after the expiration of one year, stockholders of convertible preferred stock may apply for the conversion of part or all of the preferred stock held, from preferred stock to common stocks during the conversion period (conversion ratio 1:1). After the convertible preferred stock are converted into common stock, their rights and obligations are the same as the common stock. The issuance of annual dividends for the convertible preferred stock is based on the ratio of the actual number of issued days in the current year to the number of days within the whole year. However, stockholders who converted their preferred stock into common stock before the date of distribution of dividends (interests) in each year shall not participate in the distribution in that year but may participate in the distribution of common stock surplus and additional paid in capital.

6) After five and a half years from the issue date, the Bank may, subject to the competent authority's approval, redeem a portion or all of the outstanding shares of preferred stock any time at the issue price. The rights and obligations associated with any remaining outstanding shares of preferred stock shall continue as specified in the agreement. If the Bank's board of directors approves the distribution of dividends in the year the Bank redeems the outstanding shares of preferred stock - A, the dividends payable shall be calculated at the ratio of the number of days outstanding from beginning of year to the redemption date to total days in a fiscal year.

7) When the Bank issues new shares for cash, Series A preferred stockholders have the same subscription rights as the common stockholders.

As of March 31, 2024, 986 thousand of preferred Series A shares has been converted into common stock.

The Bank's board of directors resolved to issue 250,000 thousand Series B preferred stock with a par value of $10 on May 2, 2024. The issuance price range is set between $10 to $15, with a provisional price of $12.

b. Capital surplus

	March 31, 2024	December 31, 2023	March 31, 2023
May be used to offset a deficit, distributed as dividends, or transferred to capital stock (Note)			
Treasury share transactions	$ 10,746	$ 9,061	$ 9,061
Must be used to offset a deficit			
Exercised disgorgement	10	10	10
Unclaimed dividends	3,331	2,672	2,695
	3,341	2,682	2,705
May not be used for any purpose			
Share of changes in capital surplus of subsidiaries associates or joint ventures	10,949	7,881	2,623
	$ 25,036	$ 19,624	$ 14,389

Note: Such capital surplus 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 stock (limited to a certain percentage of the Bank's capital surplus and once a year).

c. Special reserves

	March 31, 2024	December 31, 2023	March 31, 2023
Trading loss and default loss reserve	$ 133,955	$ 133,955	$ 133,955
Employee transfer or placement expenditure related to financial technology development	12,554	12,554	15,176
Other equity deductions special reserves	3,050,502	3,050,502	485,479
	$ 3,197,011	$ 3,197,011	$ 634,610

The Bank reclassified reserve for trading loss and default losses as of December 31, 2010 to a special reserve account, which is part of equity, in accordance with Order No. 10010000440 issued by the FSC.

In addition, according to Rule No. 10510001510 issued by the FSC on May 25, 2016, a public bank shall appropriate to special reserve an amount in the range of 0.5% to 1% of net profit after tax from 2016 to 2018; from 2017, the same amount of employee transfer or placement expenditure arising from financial technology development shall be reversed from the balance of the special reserve. The above order was repealed by the FSC Rule No. 10802714560 on May 15, 2019, which stipulates that in 2019, a public bank shall no longer continue to provide a special reserve for the purpose of protecting the interests of domestic bank practitioners in the development of financial technology. The Bank is allowed to reverse the special reserve appropriated in 2016 to 2018 at the amounts of the following expenses.

1) Expenses for staff transfer or placement, including the related expenses for assisting employees to transfer between departments or groups, and the payment of retirement and severance benefits to employees that are superior to labor-related laws and regulations.

2) Expenses for financial technology or banking business development, i.e., expenditure for education and training to enhance or develop employee functions.

Under related regulations, the Bank should appropriate or reverse to a special reserve according to the net debit balance of other equity. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and thereafter distributed.

d. Retained earnings and dividends policy

The Bank's dividend policy approved by the stockholders' meeting of the Bank on June 17, 2022 is as follows:

Under the dividends policy as set forth in the amended Articles, where the Bank made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 30% of the remaining profit until the accumulated legal reserve equals the Bank's paid-in capital, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the board of directors as the basis for proposing a distribution plan, which should be resolved in the stockholders' meeting for distribution of dividends and bonus to stockholders.

In the event of a shortfall in "other previously accumulated net deductions from shareholders' equity" when the Bank sets aside a portion of distributable earnings for special reserve, it shall first set aside an equal amount of special reserve from undistributed earnings from the previous period. If any shortfall remains, the Bank shall make an allocation from the undistributed earnings of the current period that also take account of net profit plus other items of the current period.

In principle, common stock dividends shall not be less than 20% of the available for distribution retained earnings minus the amount for preferred stock dividends. Cash dividend shall not be less than 20% of the total dividend for the current year. When the amount of legal reserve has not reached the Bank's total capital, the amount of cash dividends cannot exceed 15% of the Bank's paid-in capital.

The Bank shall consider its future capital budget plan, financial needs for various businesses, and financial structure in the adoption of a stable and balanced dividend policy. The board of directors may, according to the actual needs, propose adjustments to the dividend distribution, and submit the proposal for approval in the stockholders' meeting.

For the policies on distribution of compensation of employees and remuneration of directors, please refer to Note 36.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Bank's paid-in capital. Legal reserve may be used to offset deficit. If the Bank has no deficit and the legal reserve has exceeded 25% of the Bank's paid-in capital, the excess may be transferred to capital or distributed in cash. In addition, the Banking Law limits the appropriation of cash dividends to 15% of the Bank's paid-in capital.

The appropriations of earnings for 2023 and 2022 have been proposed by the Bank's board of directors and approved in the stockholders' meetings on April 9, 2024 and June 16, 2023, respectively. The appropriations and dividends per share were as follows:

	2023	2022
	Appropriation of Earnings	**Appropriation of Earnings**
Legal reserve	$ 738,432	$ 1,447,384
Special reserve appropriated (reversed)	(1,226,764)	2,562,401
Cash dividends - common stock	1,228,974	1,037,959
Preferred stock dividends	124,956	127,081

The appropriation of earnings for 2023 are subject to the resolution of the shareholders' meeting to be held on June 14, 2024.

e. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

	For the Three Months Ended March 31	
	2024	**2023**
Balance at January 1	$ 109,410	$ 165,887
Exchange differences arising on translating the financial statements of foreign operations	452,748	(80,829)
Income tax related to gains or losses arising on translating the financial statements of foreign operations	(57,856)	9,389
Balance at March 31	$ 504,302	$ 94,447

2) Unrealized valuation gains (losses) on financial assets at FVTOCI

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	$ (1,937,803)	$ (3,216,389)
Recognized during the period		
Unrealized (loss) gain - debt instruments	(296,796)	526,524
Unrealized gain - equity instruments	463,319	94,105
Tax effects	19,372	(28,231)
Loss allowance of debt instruments	3,330	3,834
Other comprehensive income recognized in the period	189,225	596,232
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	(416,336)	(15,544)
Balance at March 31	$ (2,164,914)	$ (2,635,701)

f. Non-controlling interests

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	$ 18,415,711	$ 16,287,325
Attribute to non-controlling interests		
Shares of profit for the year	317,905	371,205
Capital surplus	1,286	(4)
Exchange differences arising on translation of foreign entities	22,749	(4,324)
Unrealized valuation gains or losses on FVTOCI		
Debt instruments	(164,043)	430,283
Equity instruments	154,159	32,367
Tax effects	34,686	(41,313)
Actuarial profit and loss of defined benefit plans	320	(1,996)
Balance at March 31	$ 18,782,773	$ 17,073,543

g. Treasury stocks

Unit: In Thousands of Shares

	For the Three Months Ended March 31	
	2024	2023
Number of shares at January 1	17,522	2,522
Decrease during the period	9,583	-
Number of shares at March 31	7,939	2,522

On March 19, 2020, the Bank's board of directors proposed to acquire treasury stocks transfer to employees. The acquiring period is from March 20, 2020 to May 19, 2020. As of May 19, 2020, the Bank had acquired 5,737 thousand shares of treasury stocks for $38,304 thousand. The Bank had transferred 3,215 thousand shares to employees at the price of $5.9 per share in February 2022. As a result, treasury shares decreased by $21,467 thousand.

On August 21, 2023, the board of directors proposed to acquire treasury stocks transfer to employees. The acquiring period was from August 22, 2023 to October 21, 2023. As of October 20, 2023, the Bank had acquiring 15,000 thousand shares of treasury stocks for $144,684 thousand. The Bank had transferred 7,061 thousand and 2,522 thousand shares to employees at the price of $9.65 and $5.90 per share in February 2024, respectively. As a result, treasury shares decreased by $88,388 thousand.

Under the Securities and Exchange Act, the Bank shall neither pledge treasury shares nor exercise stockholders' rights on these shares, such as the rights to receive dividends or to vote.

32. NET INTEREST

	For the Three Months Ended March 31	
	2024	**2023**
Interest revenue		
Discounts and loans	$ 2,661,725	$ 2,086,848
Investments in securities	963,027	755,097
Due from the Central Bank and call loans to banks	198,924	159,227
Others	43,359	46,286
	3,867,035	3,047,458
Interest expense		
Deposits	2,245,668	1,654,221
Deposits from the Central Bank and banks	191,588	126,599
Bank debentures	60,002	64,485
Bills and bonds sold under repurchase agreements	900,136	671,069
Others	17,172	15,962
	3,414,566	2,532,336
	$ 452,469	$ 515,122

33. SERVICE FEE INCOME, NET

	For the Three Months Ended March 31	
	2024	**2023**
Service fee income		
Guarantee business	$ 245,655	$ 241,180
Loan business	282,216	146,986
Underwrite business	130,283	168,754
Trust business	16,608	9,155
Credit examining business	66,988	80,338
Import and export business	5,218	5,431
Factoring business	1,437	4,843
Insurance agent business	17,479	5,375
Others	90,016	27,791
	855,900	689,853
Service charge		
Others	32,081	27,581
	$ 823,819	$ 662,272

34. GAINS ON FINANCIAL ASSETS OR LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	For the Three Months Ended March 31	
	2024	2023
Realized gains or losses		
Bills	$ 10,824	$ (1,945)
Stocks and beneficiary certificates	318,554	12,989
Bonds	75,760	41,599
Derivatives	606,231	355,048
	1,011,369	407,691
Gains (losses) on valuation		
Bills	28,378	256,544
Stocks and beneficiary certificates	(23,679)	96,996
Bonds	12,267	30,072
Derivatives	1,230,820	59,791
	1,247,786	443,403
Interest revenue	583,366	452,431
	$ 2,842,521	$ 1,303,525

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

	For the Three Months Ended March 31	
	2024	2023
Realized gain - debt instruments	$ 147,846	$ 6,896
Dividend revenue	15,552	6,449
	$ 163,398	$ 13,345

36. EMPLOYEE BENEFITS EXPENSES

	For the Three Months Ended March 31	
	2024	2023
Short-term employee benefits		
Salaries and wages	$ 649,754	$ 541,266
Labor insurance and national health insurance	39,590	36,587
Others	82,894	87,339
Post-employment benefits		
Pension expenses	25,725	23,274
Pension benefits	19	1,994
	$ 797,982	$ 690,460

The shareholders of the Bank held their regular meeting on June 16, 2023 and in that meeting, resolved the amendments to the Company's Articles of Incorporation (the "Articles"). For the policies on the distribution of compensation of employees and remuneration of directors after the amendment, the Bank accrued employees' compensation and remuneration of directors at the rates no lower than 0.5% and no higher than 2.5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. Before the amendment, the Bank accrued employees' compensation and remuneration of directors at rates between 1% to 2.5% and no higher than 2.5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors.

The amounts and accrual rates of employees' compensation and remuneration of directors for the years ended March 31, 2024 and 2023 were as follows:

Accrual rate

	For the Three Months Ended March 31	
	2024	2023
Compensation of employees	1.50%	1.25%
Remuneration of directors	1.50%	2.50%

Amount

	For the Three Months Ended March 31	
	2024	2023
Compensation of employees	$ 17,130	$ 10,875
Remuneration of directors	$ 17,130	$ 21,750

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 by next year.

The compensation of employees and remuneration of directors for 2023 and 2022, which were approved by the Bank's board of director on April 9, 2024 and March 14, 2023 respectively, were as follows:

	2023	2022
	Cash	Cash
Compensation of employees	$ 43,314	$ 53,625
Remuneration of directors	43,314	67,031

There are no differences between 2023 and 2022 the actual amounts of compensation of employees and remuneration of directors paid and 2023 and 2022 the amounts recognized in the annual consolidated financial statement.

Information for the compensation of employees and remuneration of directors proposed by the Board is available at the Market Observation Post System website of the Taiwan Stock Exchange.

37. DEPRECIATION AND AMORTIZATION EXPENSES

	For the Three Months Ended March 31	
	2024	2023
Property and equipment	$ 38,227	$ 43,372
Right-of-use assets	36,625	31,614
Intangible assets	78,325	69,370
	$ 153,177	$ 144,356

38. OTHER GENERAL AND ADMINISTRATIVE EXPENSES

	For the Three Months Ended March 31	
	2024	2023
Taxation	$ 97,663	$ 82,290
Rental fees	2,829	1,156
Management fees	11,847	11,497
Computer operating and consulting fees	105,486	87,807
Entertainment fees	11,238	11,757
Professional services fees	21,188	18,915
Advertisement fees	9,907	8,273
Postage fees	20,496	15,785
Others fees	83,759	73,549
	$ 364,413	$ 311,029

39. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Three Months Ended March 31	
	2024	2023
Current tax		
In respect of the current period	$ 224,638	$ 141,962
Deferred tax		
In respect of the current period	65,482	112,513
Income tax expense recognized in profit or loss	$ 290,120	$ 254,475

b. Income tax recognized in other comprehensive income

	For the Three Months Ended March 31	
	2024	2023
Deferred tax		
Translation of foreign operations	$ 57,856	$ (9,389)
Remeasurements of defined benefit plans	112	(697)
Unrealized gains (losses) on financial assets at FVTOCI	(54,058)	69,544
Income tax expense recognized in other comprehensive income	$ 3,910	$ 59,458

c. Assessment of the income tax returns

The income tax returns of the Bank through 2019 have been assessed by the tax authorities. The Bank's subsidiaries CBF through 2020 have been assessed by the tax authorities. The income tax returns of the Bank's subsidiaries IBT Management Corp. and IBT VII Venture Capital Co., Ltd. through 2022 have been assessed by the tax authorities.

40. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Three Months Ended March 31	
	2024	2023
Basic earnings per share	$ 0.35	$ 0.27
Diluted earnings per share	$ 0.32	$ 0.24

Earnings used in calculating earnings per share and weighted average number of common stocks are as follows:

Net Profit for the Period

	For the Three Months Ended March 31	
	2024	2023
Earnings used in the computation of basic and diluted earnings per share from continuing operations	$ 953,473	$ 738,461

Stock (In Thousands of Shares)

	For the Three Months Ended March 31	
	2024	2023
Weighted average number of common stocks in computation of basic earnings per share	2,720,788	2,731,470
Effect of potentially dilutive common stocks:		
Compensation of employees	6,416	5,537
Convertible preferred stock	299,014	299,014
	305,430	304,551
Weighted average number of common stocks in the computation of diluted earnings per share	3,026,218	3,036,021

If the Bank offered to settle compensation paid to employees in cash or stocks, then the Bank will assume the entire amount of the compensation will be settled in stocks and the dilutive effect of the resulting potential stocks will be included in the weighted average number of stocks outstanding used in the computation of diluted earnings per share. Such dilutive effect of the potential stocks will be included in the computation of diluted earnings per share until the number of stocks to be distributed to employees is resolved in the following year.

41. RELATED PARTY TRANSACTIONS

The transactions, account balances, income and loss of the Bank and its subsidiaries (which are the related parties of the Bank) are all eliminated upon consolidation, so they are not disclosed in this note. Except for other transactions disclosed in other notes, the transactions between the Group and other related parties are as follows:

a. The related parties and their relationships with the Group are summarized as follows:

Related Party	Relationship with the Bank
Beijing Sunshine Consumer Finance Co., Ltd.	Associates
Infinite Finance Co., Ltd. (Infinite Finance)	Associates
Jih Sun International Financial Leasing Co. (Suzhou Jih Sun)	Subsidiary of associate
Yi Chang Investment Co., Ltd.	The Bank's legal director
Ming Shan Investment Co., Ltd.	The Group's legal director
Taixuan Investment Co., Ltd.	The Bank's legal director
TCC Chemical Corporation (TCC)	Other related party (Note)
Others	The Group's management and their other related party

Note: On June 16, 2023, a board of directors election was conducted, effective from the 2024, excluding related parties from the consolidated financial statements.

b. The significant transactions and balances with the related parties are summarized as follows:

1) Deposits (part of deposits and remittances)

	Ending Balance	Interest Expense	Rate (%)
For the three months ended March 31, 2024			
Associates	$ 7,050	$ 37	0.71-1.45
Others	3,636,443	41,397	0.00-7.18
	$ 3,643,493	$ 41,434	
For the three months ended March 31, 2023			
Associates	$ 36,394	$ 39	0.00-1.25
Others	8,167,001	55,345	0.00-7.05
	$ 8,203,395	$ 55,384	

2) Loan

	Maximum Balance (Note)	Ending Balance	Interest Revenue	Rate (%)
For the three months ended March 31, 2024				
Associates	$ 41,940	$ -	$ 32	2.56
Others	82,987	81,313	423	1.92-2.52
	$ 124,927	$ 81,313	$ 455	
For the three months ended March 31, 2023				
Associates	$ 241,611	$ 241,611	$ 2,050	2.42-5.01
Others	691,800	691,800	3,815	1.96-2.30
	$ 933,411	$ 933,411	$ 5,865	

March 31, 2024							
Category	Account Volume or Name	Maximum Balance (Note)	Ending Balance	Normal Loans	Non-performing Loans	Collateral	Difference of Terms of the Trans-actions with Unrelated Parties
Other loans	Infinite Finance	$ 41,940	$ -	$ -	$ -	Real estate	None
Consumer loans	4	$ 3,121	$ 2,984	$ 2,984	$ -	None	None
Self-used residential mortgage	3	$ 79,866	$ 78,329	$ 78,329	$ -	Real estate	None

Category	Account Volume or Name	Maximum Balance (Note)	Ending Balance	Normal Loans	Non-performing Loans	Collateral	Difference of Terms of the Trans-actions with Unrelated Parties
		March 31, 2023					
Other loans	Infinite Finance	$ 146,600	$ 146,600	$ 146,600	$ -	Real estate and check	None
Other loans	Suzhou Jih Sun	$ 95,011	$ 95,011	$ 95,011	$ -	None	None
Other loans	TCC	$ 430,000	$ 430,000	$ 430,000	$ -	Real estate	None
Other loans	Ming Shan Investment	$ 64,000	$ 64,000	$ 64,000	$ -	Certificates of deposit	None
Other loans	Yi Chang Investment	$ 73,800	$ 73,800	$ 73,800	$ -	Certificates of deposit	None
Other loans	Taixuan Investment	$ 124,000	$ 124,000	$ 124,000	$ -	Certificates of deposit	None

Note: The maximum balance of daily totals for each category of loan.

3) Service fees income (part of net service fee income, net)

	For the Three Months Ended March 31	
	2024	2023
Others	$ 2	$ 1

Service fee income is earned by providing authentication, custody and fund purchase services.

4) Other expenses (part of other general and administrative expense)

	For the Three Months Ended March 31	
	2024	2023
Others	$ 13,450	$ 10,450

Other expenses are donations.

c. Remuneration of key management personnel

The remuneration of directors and other members of key management personnel for the three months ended March 31, 2024 and 2023 were as follows:

	For the Three Months Ended March 31	
	2024	2023
Short-term employee benefits	$ 53,177	$ 52,428
Post-employment benefits	1,036	1,230
Stock-based payments	4,157	-
	$ 58,370	$ 53,658

The remuneration of directors and other key management personnel is reviewed by the remuneration committee and determined by the Bank's board of director or chairman.

The terms of the transactions with related parties are similar to those for third parties, except for the preferential interest rates given to employees for savings and loans. These rates should be within certain limits.

Under the Banking Law Article 32 and 33, except for consumer loans and government loans, credits extended by the Bank to any related party should be 100% secured, and the terms of credits extended to related parties should be similar to those for third parties.

42. PLEDGED ASSETS

	March 31, 2024	December 31, 2023	March 31, 2023
Financial assets at FVTPL	$ 9,329,818	$ 8,603,214	$ 7,308,019
Financial assets at FVTOCI	5,531,132	9,237,138	2,771,066
Investment in debt instruments at amortized cost	3,062,505	3,061,641	7,684,320
Discounts and loans	7,464,755	6,922,749	6,942,228
	$ 25,388,210	$ 27,824,742	$ 24,705,633

Under the requirement for joining the Central Bank's Real-time Gross Settlement (RTGS) clearing system, the Bank provided negotiable certificates of deposits (part of financial assets at FVTPL, financial assets at FVTOCI and investment in debt instruments at amortized cost) as collateral for day-term overdrafts. The pledged amount is adjustable based on the respective overdraft amount, and at the end of the day, the unused part can be used for liquidity reserves. The above financial assets were debt and were mainly provided as collateral for exchange clearing, interest rate swap contracts, trust compensation, and for EverTrust Bank to issue certificates of deposit in the United States. Besides, the above loans were provided as collateral for EverTrust Bank to apply for credit limits with the Federal Home Loan Bank of San Francisco.

43. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those mentioned in other notes, as of March 31, 2024, December 31, 2023 and March 31, 2023, the Group had commitments as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Office decorating and contracts of computer software			
Amount of contracts	$ 140,867	$ 137,893	$ 77,866
Payments for construction in progress and prepayments for equipment	92,522	76,157	41,241

44. TRUST BUSINESS UNDER THE TRUST LAW

Balance Sheet of Trust Accounts

	March 31, 2024	December 31, 2023	March 31, 2023
Trust assets			
Petty cash	$ 100	$ 100	$ 100
Bank deposits	1,303,438	1,783,562	2,279,088
Financial assets	3,350,845	4,335,703	4,201,432
Receivables	93	53	101
Prepayments	1,103	1,278	1,080
Real estate	7,163,746	5,935,723	6,960,590
Intangible assets	52,813	18,078	-
Structured products	111,914	141,605	44,309
Other assets	108	160	145
Total trust assets	$ 11,984,160	$ 12,216,262	$ 13,486,845
Trust liabilities and capital			
Payables	$ 43,697	$ 2,695	$ 49,032
Unearned receipts	1,061	1,171	1,346
Taxes payable	7,601	4,086	7,662
Guarantee deposits received	18,417	18,421	25,814
Other liabilities	465	879	516
Trust capital	11,742,002	11,998,878	13,236,848
Provisions and accumulated profit and loss	170,917	190,132	165,627
Trust liabilities and capital	$ 11,984,160	$ 12,216,262	$ 13,486,845

Income Statements of Trust Accounts

	For the Three Months Ended March 31	
	2024	2023
Trust revenue		
Interest revenue	$ 5,436	$ 8,873
Rent revenue	27,626	29,292
Other revenue	-	439
	33,062	38,604
Trust expenses		
Management fees	(1,426)	(695)
Service charge	(1,607)	(2,091)
Tax	(3,515)	(3,511)
Other expenses	(3,180)	(3,954)
Income tax expense	(467)	(838)
	(10,195)	(11,089)
	$ 22,867	$ 27,515

Note: The above income accounts of the trust business were not included in the Group's income statement.

Trust Property List

	March 31, 2024	December 31, 2023	March 31, 2023
Petty cash	$ 100	$ 100	$ 100
Bank deposits	1,303,438	1,783,562	2,279,088
Stocks	235,420	532,777	320,103
Funds	1,981,649	2,575,975	2,684,045
Bonds	1,133,776	1,226,951	1,197,284
Land	6,352,264	5,124,240	6,134,471
Buildings	811,482	811,483	826,119
Right of superficies	52,813	18,078	-
Receivables	93	53	101
Prepayments	1,103	1,278	1,080
Structured products	111,914	141,605	44,309
Other	108	160	145
	$ 11,984,160	$ 12,216,262	$ 13,486,845

45. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not carried at fair value

1) Financial instruments significant difference between carrying amount and fair value

Except as detailed in the following table, the management considers that the carrying amounts of financial assets and financial liabilities recognized in the condensed consolidated financial statements approximate their fair values cannot be reliably measured.

	March 31, 2024		December 31, 2023		March 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets						
Investments in debt instruments at amortized cost	$ 26,794,827	$ 26,596,131	$ 25,859,398	$ 25,864,895	$ 32,025,754	$ 32,026,349
Financial liabilities						
Bank debentures payable	14,450,000	14,532,117	12,950,000	13,037,986	13,600,000	13,707,024

2) The fair value hierarchy

Financial Instrument Items at Fair Value	March 31, 2024			
	Total	Level 1	Level 2	Level 3
Financial assets				
Investments in debt instruments at amortized cost	$ 26,596,131	$ 9,773,360	$ 16,822,771	$ -
Financial liabilities				
Bank debentures payable	14,532,117	-	14,532,117	-

Financial Instrument Items at Fair Value	December 31, 2023			
	Total	Level 1	Level 2	Level 3
Financial assets				
Investments in debt instruments at amortized cost	$ 25,864,895	$ 8,835,398	$ 17,029,497	$ -
Financial liabilities				
Bank debentures payable	13,037,986	-	13,037,986	-

Financial Instrument Items at Fair Value	March 31, 2023			
	Total	Level 1	Level 2	Level 3
Financial assets				
Investments in debt instruments at amortized cost	$ 32,026,349	$ 8,141,957	$ 23,884,392	$ -
Financial liabilities				
Bank debentures payable	13,707,024	-	13,707,024	-

Refer to quoted market prices for fair value if there are public quotations on bank debentures payable with active market. If quoted market prices are not available, the fair value is determined by using a valuation technique or counterparty quotation.

b. Fair value information - financial instruments measured at fair value on a recurring basis

1) The fair value hierarchy of the financial instruments as of March 31, 2024, December 31, 2023 and March 31, 2023 were as follows:

Item	March 31, 2024			
	Total	**Level 1**	**Level 2**	**Level 3**
Non-derivative financial instruments				
Assets				
Financial assets at FVTPL				
Stocks and beneficial certificates	$ 1,839,709	$ 1,002,518	$ 496,327	$ 340,864
Bills	119,134,120	-	119,134,120	-
Bonds	3,889,860	-	3,889,860	-
Hybrid financial assets	8,208,073	388,776	304,526	7,514,771
Negotiable certificates of deposit	29,377,987	-	29,377,987	-
Financial assets at FVTOCI				
Equity instruments	3,405,822	2,342,497	255,397	807,928
Bills	5,335,126	-	5,335,126	-
Debt instruments	142,499,450	17,397,453	125,101,997	-
Negotiable certificates of deposit	19,522,012	-	19,522,012	-
Liabilities				
Financial liabilities at FVTPL	20,591	-	20,591	-
Derivative financial instruments				
Assets				
Financial assets at FVTPL	1,616,211	58,969	1,557,242	-
Liabilities				
Financial liabilities at FVTPL	917,979	-	917,979	-

Item	December 31, 2023			
	Total	**Level 1**	**Level 2**	**Level 3**
Non-derivative financial instruments				
Assets				
Financial assets at FVTPL				
Stocks and beneficial certificates	$ 1,389,794	$ 618,482	$ 496,030	$ 275,282
Bills	112,527,244	-	112,527,244	-
Bonds	1,420,282	-	1,420,282	-
Hybrid financial assets	6,157,388	373,088	796,312	4,987,988
Negotiable certificates of deposit	32,528,876	-	32,528,876	-
Financial assets at FVTOCI				
Equity instruments	2,910,766	1,901,962	129,437	879,367
Bills	3,447,154	-	3,447,154	-
Debt instruments	142,857,710	17,995,040	124,862,670	-
Negotiable certificates of deposit	21,467,288	-	21,467,288	-
Liabilities				
Financial liabilities at FVTPL	21,402	-	21,402	-
Derivative financial instruments				
Assets				
Financial assets at FVTPL	858,666	49,686	808,980	-
Liabilities				
Financial liabilities at FVTPL	1,380,303	-	1,380,303	-

Item	March 31, 2023			
	Total	Level 1	Level 2	Level 3
Non-derivative financial instruments				
Assets				
Financial assets at FVTPL				
Stocks and beneficial certificates	$ 1,520,046	$ 594,991	$ 732,460	$ 192,595
Bills	109,019,155	-	109,019,155	-
Bonds	4,121,617	-	4,121,617	-
Hybrid financial assets	7,698,250	115,907	1,238,858	6,343,485
Negotiable certificates of deposit	30,647,928	-	30,647,928	-
Financial assets at FVTOCI				
Equity instruments	4,665,229	3,641,580	155,873	867,776
Bills	6,793,140	-	6,793,140	-
Debt instruments	133,846,084	18,198,571	115,647,513	-
Negotiable certificates of deposit	18,558,473	-	18,558,473	-
Liabilities				
Financial liabilities at FVTPL	147,635	-	147,635	
Derivative financial instruments				
Assets				
Financial assets at FVTPL	751,433	45,755	705,678	-
Liabilities				
Financial liabilities at FVTPL	443,300	-	443,300	-

2) Valuation techniques and assumptions applied for the purpose of measuring the fair values

In a fair deal, the transaction is fully understood and there is willingness to achieve by the two sides, in exchange of assets or settle of liabilities, fair value is the amount settled. Financial instruments at fair value through profit or loss and available-for-sale financial assets refer to quoted market prices for fair value. If quoted market prices are not available, then fair value is determined by using a valuation technique.

a) Marking-to-market

This measurement should be used first. Following are the factors that should be considered when using marking-to-market:

i. Ensure the consistency and completeness of market data.

ii. The source of market data should be transparent, easy to access, and should come from independent resources.

iii. Listed securities with high liquidity and representative closing prices should be valued at closing prices.

iv. Unlisted securities which lack tradable closing prices should use quoted middle prices from independent brokers and follow the guidelines required by regulatory authorities.

b) Marking-to-model

The marking-to-model is used if marking-to-market is infeasible. This valuation methodology is based upon the market parameters to derive the value of the positions and incorporate estimates, as well as assumptions consistent with acquirable information generally used by other market participants to price financial instruments.

Fair values of forward contracts used by the Group are estimated based on the forward rates provided by Reuters. Fair values of interest rate swap and cross-currency swap contracts are based on counterparties' quotation, using the Murex$^+$ information system to capture market data from Reuters for calculating the fair value assessment of individual contracts. Option trading instruments use option pricing model commonly used in the market (ex: Black-Scholes model) to calculate the fair value.

i. Level 1 - quoted prices in active markets for identical assets or liabilities. Active markets are markets with all of the following conditions: (a) the products traded in the market are homogeneous, (b) willing parties are available anytime in the market, and (c) price information is available to the public.

ii. Level 2 - inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e., derived from prices).

iii. Level 3 - inputs not based on observable market data (unobservable inputs. i.e., option pricing model of historical volatility, due to historical volatility could not represent the overall market participants' volatility expectations of the future).

3) Reconciliation of the financial instruments classified in Level 3

For the three months ended March 31, 2024

Financial Assets	Financial Assets at Fair Value Through Profit or Loss		Financial Assets at Fair Value Through Other Comprehensive Income Equity Instruments	Total
	Hybrid Financial Assets	Equity Instruments		
Beginning balance	$ 4,987,988	$ 275,282	$ 879,367	$ 6,142,637
Recognition in profit or loss - financial assets at fair value through profit or loss	18,283	90,597	-	108,880
Recognition in other comprehensive income - financial assets at fair value through other comprehensive income	-	-	(71,439)	(71,439)
Purchases	3,786,600	19,992	-	3,806,592
Disposals	(1,278,100)	(69,220)	-	(1,347,320)
Transferred to Level 3 (Note 1)	-	24,213	-	24,213
Ending balance	$ 7,514,771	$ 340,864	$ 807,928	$ 8,663,563

For the three months ended March 31, 2023

Financial Assets	Financial Assets at Fair Value Through Profit or Loss		Financial Assets at Fair Value Through Other Compre-hensive Income Equity Instruments	Total
	Hybrid Financial Assets	Equity Instruments		
Beginning balance	$ 7,508,377	$ 192,744	$ 843,274	$ 8,544,395
Recognition in profit or loss - financial assets at fair value through profit or loss	31,908	456	-	32,364
Recognition in other comprehensive income - financial assets at fair value through other comprehensive income	-	-	24,502	24,502
Purchases	-	32,631	-	32,631
Disposals	(1,196,800)	-	-	(1,196,800)
Transferred from Level 3 (Note 2)	-	(33,236)	-	(33,236)
Ending balance	$ 6,343,485	$ 192,595	$ 867,776	$ 7,403,856

The assets held at the balance sheet date, which were included in the profit and loss and the unrealized gains and losses for the three months ended March 31, 2024 and 2023, were consisted of $27,592 thousand in gain, and $51,181 thousand in loss, respectively.

Note 1: The stock transferred into Level 3 since the quoted price in active markets is unavailable.

Note 2: The stock transferred into Level 1 since the quoted price in active markets is available.

4) Transfers between Level 1 and Level 2

The Group had no significant transfers between Level 1 and Level 2 for the three months period ended March 31, 2024 and 2023.

5) Sensitivity to using reasonable alternative in assumption against Level 3 fair value

The fair value measurement of financial instruments is reasonable, although the use of different valuation models or parameters may lead to different evaluation results. For the fair value measurements of structured bonds which fall under Level 3 of the fair value hierarchy, they are evaluated according to counterparty quotes; for bonds and convertible bonds for asset swaps which have no quoted market prices, they are evaluated using the future cash flows discounted model. Were there to be a 10% or 1 basis point change in either direction of the quotes from respective counterparties or in discount rates and all other conditions remained the same, the effects on the income and other comprehensive income for the three months ended March 31, 2024 and 2023 periods would be as follows:

For the three months ended March 31, 2024

Item	Movement: Upward/ Downward	Effect on Profit and Loss		Effect on Other Comprehensive Income	
		Favorable	Unfavorable	Favorable	Unfavorable
Convertible bond	1BP	$ 1,144	$ (1,144)	$ -	$ -
Equity instruments	10%	34,086	(34,086)	89,316	(89,316)

For the three months ended March 31, 2023

Item	Movement: Upward/ Downward	Effect on Profit and Loss		Effect on Other Comprehensive Income	
		Favorable	Unfavorable	Favorable	Unfavorable
Convertible bond	1BP	$ 750	$ (750)	$ -	$ -
Equity instruments	10%	19,259	(19,259)	94,656	(94,656)

c. Transfer of financial assets

Transferred financial assets not derecognized

Most of the transferred financial assets of the Group that were not fully derecognized were securities sold under repurchase agreements. Under the terms of these transfers, the right to the cash flows of the transferred financial assets would be transferred to other entities, and the associated liabilities of the Group's obligation to repurchase the transferred financial assets at a fixed price in the future would be recognized. Since the Group is restricted from using, selling, or pledging the transferred financial assets within the transaction period, and is still exposed to interest rate risks and credit risks on these assets, the transferred financial assets were not fully derecognized.

March 31, 2024

Category of Financial Assets	Carrying Amount of Transferred Financial Assets	Carrying Amount of Associated Financial Liabilities
Financial assets at fair value through gain or loss		
Bills sold under repurchase agreements	$ 86,777,495	$ 86,870,062
Bonds sold under repurchase agreements	1,849,993	1,846,775
Financial assets at FVTOCI		
Bonds sold under repurchase agreements	89,192,535	91,215,458
Instruments in debt instruments measured at amortized cost		
Bonds sold under repurchase agreements	6,817,732	6,467,803
Securities purchase under resell agreements		
Bonds sold under repurchase agreements	2,093,174	1,521,210

December 31, 2023

Category of Financial Assets	Carrying Amount of Transferred Financial Assets	Carrying Amount of Associated Financial Liabilities
Financial assets at fair value through gain or loss		
Bills sold under repurchase agreements	$ 90,057,852	$ 90,136,887
Bonds sold under repurchase agreements	2,550,201	2,533,422
Financial assets at FVTOCI		
Bonds sold under repurchase agreements	91,546,140	93,306,462
Instruments in debt instruments measured at amortized cost		
Bonds sold under repurchase agreements	6,569,060	5,956,942
Securities purchase under resell agreements		
Bonds sold under repurchase agreements	2,415,025	2,153,555

March 31, 2023

Category of Financial Assets	Carrying Amount of Transferred Financial Assets	Carrying Amount of Associated Financial Liabilities
Financial assets at fair value through gain or loss		
Bills sold under repurchase agreements	$ 86,212,813	$ 86,323,802
Bonds sold under repurchase agreements	2,731,008	2,741,177
Financial assets at FVTOCI		
Bonds sold under repurchase agreements	87,495,077	90,875,060
Instruments in debt instruments measured at amortized cost		
Bonds sold under repurchase agreements	5,519,466	5,167,650
Securities purchase under resell agreements		
Bonds sold under repurchase agreements	2,235,456	2,311,075

d. Offsetting financial assets and financial liabilities

Certain transactions of the Bank and its subsidiaries are covered by enforceable master netting agreements or similar agreements, or under similar repurchase agreements may not meet all offsetting criteria under IFRS Accounting Standards. However, in these transactions, financial liabilities are allowed to be offset against financial assets when any of the counterparties specifies to settle at net amounts. If no counterparty specifies to settle at net amounts, the transactions will be settled at gross amounts instead. One of the counterparties can decide to settle at net amounts if the other party of the transaction defaults.

The tables below present the quantitative information of financial assets and financial liabilities on the balance sheets that had been offset or are covered by enforceable master netting arrangements or similar agreements.

March 31, 2024

Financial Assets	Gross Amounts of Recognized Financial Assets	Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheet	Net Amounts of Financial Assets Presented in the Balance Sheet	Related Amounts Not Offset in the Balance Sheet		Net Amount
				Financial Instruments (Note)	Cash Collateral Pledged	
Derivatives	$ 1,615,871	$ -	$ 1,615,871	$ (425,057)	$ (166,696)	$ 1,024,118

Financial Liabilities	Gross Amounts of Recognized Financial Liabilities	Gross Amounts of Recognized Financial Assets Offset in the Balance Sheet	Net Amounts of Financial Liabilities Presented in the Balance Sheet	Related Amounts Not Offset in the Balance Sheet		Net Amount
				Financial Instruments (Note)	Cash Collateral Pledged	
Derivatives	$ 906,220	$ -	$ 906,220	$ (425,057)	$ (87,802)	$ 393,361
Repurchase agreements	187,921,308	-	187,921,308	(185,911,991)	-	2,009,317
	$ 188,827,528	$ -	$ 188,827,528	$ (186,337,048)	$ (87,802)	$ 2,402,678

December 31, 2023

Financial Assets	Gross Amounts of Recognized Financial Assets	Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheet	Net Amounts of Financial Assets Presented in the Balance Sheet	Related Amounts Not Offset in the Balance Sheet		Net Amount
				Financial Instruments (Note)	Cash Collateral Pledged	
Derivatives	$ 858,002	$ -	$ 858,002	$ (257,141)	$ (145,530)	$ 455,331

Financial Liabilities	Gross Amounts of Recognized Financial Liabilities	Gross Amounts of Recognized Financial Assets Offset in the Balance Sheet	Net Amounts of Financial Liabilities Presented in the Balance Sheet	Related Amounts Not Offset in the Balance Sheet		Net Amount
				Financial Instruments (Note)	Cash Collateral Pledged	
Derivatives	$ 1,367,477	$ -	$ 1,367,477	$ (257,141)	$ (294,050)	$ 816,286
Repurchase agreements	194,087,268	-	194,087,268	(191,912,910)	-	2,174,358
	$ 195,454,745	$ -	$ 195,454,745	$ (192,170,051)	$ (294,050)	$ 2,990,644

March 31, 2023

Financial Assets	Gross Amounts of Recognized Financial Assets	Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheet	Net Amounts of Financial Assets Presented in the Balance Sheet	Related Amounts Not Offset in the Balance Sheet: Financial Instruments (Note)	Related Amounts Not Offset in the Balance Sheet: Cash Collateral Pledged	Net Amount
Derivatives	$ 741,537	$ -	$ 741,537	$ (185,321)	$ (200,536)	$ 355,680

Financial Liabilities	Gross Amounts of Recognized Financial Liabilities	Gross Amounts of Recognized Financial Assets Offset in the Balance Sheet	Net Amounts of Financial Liabilities Presented in the Balance Sheet	Related Amounts Not Offset in the Balance Sheet: Financial Instruments (Note)	Related Amounts Not Offset in the Balance Sheet: Cash Collateral Pledged	Net Amount
Derivatives	$ 439,833	$ -	$ 439,833	$ (185,321)	$ (27,779)	$ 226,733
Repurchase agreements	187,418,764	-	187,418,764	(183,404,576)	-	4,014,188
	$ 187,858,597	$ -	$ 187,858,597	$ (183,589,897)	$ (27,779)	$ 4,240,921

Note: Included non-cash financial collaterals.

46. FINANCIAL RISK MANAGEMENT

a. Overview

For the potential expected and unexpected risk, the Group establishes a comprehensive risk management system to distribute resource effectively and enhance competitiveness by ensuring that all operating risks are controlled to an acceptable extent. The Group continues to engage actively in the capital adequacy ratio with in the accordance to the regulator's requirements and monitors to meet the international requirement of the Basel Commission.

b. Risk management framework

Ultimate responsibility for setting the Bank's risk appetite rests with the board of director. The Auditing Department, Audit Committee and Compensation Committee report to the board of director. Risk Management Committee, which is under the board of director, deliberate the bank risk management mechanism and the risk management proposals of the board of directors, the chairman serves as the chairman, and the committee members include at least two directors with risk management or financial business expertise assigned by the board of directors, the general manager and supervisors at various levels and supervising the risk management of each risk and review the implementation effect and review the risk management mechanism for new business application or start-up. Assets and Liabilities Committee and Loan Evaluation Subcommittee, which are under the President, hold the meetings for discussing and considering risk management proposals regularly. The Risk Management Department is responsible for establishing a total scheme of risk management and monitoring the execution of such management scheme.

China Bills Finance Corporation's (CBF) board of directors has the ultimate responsibility for risk framework decision making and oversees the implementation of risk management. Business risk management which is headed by the President is comprised of Financial Assets and Liabilities Management Committee, Business Committee and the Investment Commission for the joint implementation of market risk, credit risk, operational risk control, and other set of business and oversight of the audit office, and the business risk control management unit case. To effectively manage the overall risk and risks associated with integration of information, CBF has defined risk assessment methods and has summarized risk positions for the risk management group responsible for implementing the risk management operations.

c. Credit risk

1) Sources and definition of credit risk

Credit risk is the potential loss due to the failure of counterparty to meet its obligations to pay the Group in accordance with agreed terms. The source of credit risks includes the subjects in the balance sheet and off-balance sheet items.

2) Strategy/objectives/policies and procedures

a) Credit risk management strategy: The Bank implements the relevant provisions of the principles of credit risk management requirement and establish the Bank's credit risk management mechanism to ensure that credit risk control is within effective but affordable range, and maintain adequate capital, and execute sound management of the Bank credit risk, and achieve operational and management objectives.

b) Credit risk management objectives: Through appropriate risk management strategies, policies and procedures, the Bank's credit risk management, to minimize potential financial losses and optimized risk and rewards.

Sound risk management systems and control processes, strengthened information integration, analysis and early warning validation, bring out credit management and monitoring functions to ensure compliance with laws, regulations and group standards so as to maintain high credit standards and asset quality.

c) Credit risk management policy: In order to establish the Bank's risk management system and ensure the development and sound operations of the Bank, and serve as the basis of business risk management and compliance, the Bank stipulated its "Risk Management Policy" in accordance with the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries" issued by the FSC. The Bank maintains an adequate amount of capital within the Bank's acceptable range of credit risk to achieve the objectives of credit risk strategy and create maximum risk-adjusted returns.

d) Credit risk management process:

i. Risk identification

Credit risk management process begins with the identification of existing and potential risks, including all the transactions in banking book and trading book, balance sheet and off-balance sheet transactions. With financial innovation, as new credit businesses become increasingly complex; business executives in order do existing and new credit businesses, should be fully aware of the complexity involved in the business of re-order business and other cases or transactions to be able to identify any possibility of having an event of default.

ii. Risk measurement

i) The Bank manages asset portfolios by the risk rating scale

The risk rating scale qualifies the default possibilities of debtors and operation difficulty possibilities of investees in the next year. Risk ratings must actually be scaled when the individual credit and investment accounts are approved. The continual change of the market gives rise to the change in credit or investment household. Therefore, risk ratings must be reevaluated and updated often to adjust the risk rating scale when it is verified.

ii) Portfolio management:

- It is used to ensure the risk of loan is within the tolerable scope.
- "Concentrative risks" are concentration-limited, avoiding the risks to be overly centralized to sufficiently diversify the risk.
- It achieves the optimal profits.

iii. Risk communication

i) Internal reporting: Risk management position shall establish appropriate credit risk reporting mechanism for regular statistical reporting and the preparation of a variety of business risk management reports which contain correct, consistent, and real-time credit risk reporting information to ensure any exceptions can be acted on immediately, and as a reference for decision-making. The above communication may include asset quality, portfolio rating classification status, and all kinds of exception reports.

ii) External disclosure: To comply with the requirements for capital adequacy supervisory review and market discipline principles, the business director of credit risk level should prepare reports in the format specified by the competent authority showing contents, methods and frequency to provide information on the credit risk of the Bank's quantitative, qualitative indicators to illustrate the self-assessment and credit risk management system and disclose information about capital and other capital adequacy matters.

iv. Risk monitoring

i) The Bank shall establish monitoring system to assess the changes in credit risk of borrower or counterparty or issuer (e.g., bonds issuer and guarantor of issuers of equity related products, derivatives counterparties' credit rating information and credit information), to serve timely detection of problems on assets or transactions, and take immediate action to cope with the possible breach.

ii) Besides monitoring the individual credit risk, the Bank also deal with credit portfolio monitoring and management.

iii) Establish stringent credit processes, credit standards and loan management; the project includes the credit factors that should be considered for new credit and credit transfer period, commitment to the periodic review of credit, maintenance of credit records and the proportion of various types of loans in the credit portfolio.

iv) Establish quota management system to avoid excessive concentration of credit risk to nationality, industry types, same group, same relations, etc.

v) Establish collateral management system to ensure that collaterals can be effectively managed.

3) Credit risk management and framework

a) Board of Directors: Responsible for authorizing and reviewing the credit risk management strategies and approving the credit risk management framework. The strategy reflects the level of risk that the Bank can tolerate and the level of profitability that the Bank expects to achieve under various credit risks.

b) Audit Committee: Responsible for the stipulation and amendment on issues relating to internal control framework, effectiveness of internal control framework, acquisition or disposal of assets or derivatives, monitoring of directors' self-interest issues, appointment or dismissal of the CPA and internal auditors, and other important issues ruled by the FSC.

c) Risk Management Committee: Responsible for the risk management policies, various risk management regulations, annual risk appetites, limits, risk management proposals for the board of directors' approval and various risk management mechanisms, supervise and review credit, market, operations, liquidity, information security, AML, personal data protection, climate changes, emergencies and other risk management, improve the Bank's risk management mechanism to ensure the effective implementation of the Bank's risk management procedures.

d) Assets and Liabilities Committee: Holds asset/liability management meeting to inspect asset/liability management, liquidity risk, interest rate sensitivity risk management, market risk, BIS management and in charge of making decisions on policies.

e) Loan Evaluation Subcommittee: Reviews the loan cases rendered by the corporate credit management department and retail credit management department. After passing the provisions, the cases still required to be submitted to the relevant management for review.

f) Loan Assets Quality Evaluation Meeting: In charge of formulating policies and strategies for identifying the possibilities of loss on credit assets. The Bank evaluates the adequacy of the allowance for credit assets.

g) Risk Management Department: Independent risk management unit which is in charge of risk management and responsible for the related operations of credit risks. It ensures the Bank follows the BASEL regulations and is also responsible for the preparation of risk management reports presented to the appropriate management, and plans to establish monitoring tools for credit risk measurement.

h) Corporate Credit Management Department: Supervises the establishment of corporate finance risk identification, measurement, monitoring and management, preparation of regulatory review of credit grading, devising and enhancement of deed lists, deed for credit and guarantee amount control, proper release and other release matters.

i) Retail Credit Management Department: Manages personal financial risk, identifies, measures, monitors the allowance for bad debts, and prepares for bad debts presentation, loss assessment and post-loan management.

4) The scope and characteristics of credit risk reports and measurement system

For the credit risks implicated in all products and business activities, new products and business, the Bank regularly monitors the credit risk management and is authorized by the board of directors or appropriate committee.

Credit risk measurement and control procedures include credit review, rating scoring, credit control, post-loan management and collection operations. The risk management units regularly provide analysis reports of various types of credit risk and asset quality in addition to the above operational procedures for management indicators. In addition, the Bank also actively controls and periodically reports the monitoring results to the board of directors to grasp the risk situations faced by the state, the group, the industry, the same related parties and the related enterprise risks.

In order to understand the risk appetite and its changes in the financial environment and the impact on capital adequacy, the Bank handles its credit according to the "Bank Credit Risk Stress Test Guidelines" issued by the FSC, as an important basis for credit risk management, and continues to adjust the direction of business development, credit policy and credit evaluation procedures.

5) Mitigation of risks or hedging of credit risk and monitoring the risk avoidance

The Bank primarily applies the following risk mitigation tools to reduce extent of credit risk exposures: (1) by requiring the counterparty or third parties to provide collateral, (2) the balance sheet netting: Credit is backed by the counterparty's bank deposits (on-balance sheet netting), (3) third party guarantees.

Credit risk mitigation tools can reduce or transfer credit risk, but may give rise to other residual risks, including: Legal risk, operational risk, liquidity risk and market risk. The Bank adopted stringent procedures necessary to control these risks, such as policy formulation, development of operating procedures to conduct credit checks and evaluation, system implementation, contract control and so on.

The Bank has developed collateral management policies and operating procedures, and conducted recognition of all collateral data. The Bank uses a computing platform for mitigation of complex risk and completes the required collateral to offset data field collection and analysis, and links credit systems and collateral management system information to build up capital provision.

6) Maximum exposure to credit risk

The maximum credit risk exposure amount of financial assets is the book value of the specific asset on the balance sheet date. The analysis of the maximum credit exposure amount (excluding the fair value of collateral) of each off-balance sheet financial instrument held by the Bank and its subsidiaries is as follows:

Off-balance Sheet Item	Maximum Exposure Amount		
	March 31, 2024	**December 31, 2023**	**March 31, 2023**
Financial guarantees and irrevocable documentary letter of credit			
Contract amounts	$ 133,337,046	$ 131,572,860	$ 121,973,148
Maximum exposure amounts	133,337,046	131,572,860	121,973,148
Loan commitments	65,166,184	60,940,557	67,950,950

7) Concentrations of credit risk exposure

Concentration of credit risk exist when the counterparty includes only one specific person or include many people who engage in similar business which are similar in economic characteristics. The Group does not concentrate on single customer or counterparty in trading but have similar counterparty, industry and geographic region on the loan business (including loan commitments and guarantees and commercial bond issuing commitments).

On March 31, 2024, December 31, 2023 and March 31, 2023, the Group's significant concentrations of credit risk were summarized as follows (only the top three are shown below):

a) By industry

Credit Risk Profile by Industry Sector	March 31, 2024		December 31, 2023		March 31, 2023	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**
Financial and insurance	$ 95,101,885	28	$ 95,367,896	29	$ 88,007,189	28
Real estate	70,784,921	21	68,325,909	21	56,761,962	18
Manufacturing	53,741,618	16	53,601,696	16	54,270,124	18

b) By counterparty

Credit Risk Profile by Counterparty Sector	March 31, 2024		December 31, 2023		March 31, 2023	
	Amount	%	Amount	%	Amount	%
Private sector	$ 187,443,447	79	$ 180,798,779	80	$ 171,512,308	81
Natural person	49,382,183	21	45,830,555	20	40,723,343	19

c) By geographical area

Credit Risk Profile by Geographical Sector	March 31, 2024		December 31, 2023		March 31, 2023	
	Amount	%	Amount	%	Amount	%
Domestic	$ 140,675,838	59	$ 135,046,203	60	$ 127,427,979	60
Other Asia area	48,743,255	21	48,829,054	22	45,392,361	21
America	41,080,687	17	37,474,918	17	33,471,584	16

8) Credit quality and impairment assessment of financial assets

Some financial assets such as cash and cash equivalents, due from Central Bank and call loan to other banks, financial asset at fair value through profit or loss, bills and bonds purchased under resell agreements, refundable deposits, operating deposits and settlement fund are regarded as very low credit risk owing to the good credit rating of counterparties.

The related financial asset impairment valuation is as follows:

a) Credit business (including loan commitments and guarantees)

On each reporting date, the Group assesses the change in the default risk of financial assets and considers reasonable and corroborative information that shows the credit risk has increased significantly since initial recognition, including the overdue status of credit assets from clients, actual repayment situations, credit investigation results, announcements of dishonored checks and negotiations of the debts from other financial institutions, or information that the debtor has reorganized or is likely to reorganize, to determine whether the credit risk has increased significantly.

The Group adopts the 12-month ECLs for the evaluation of the loss allowance of financial instruments whose credit risk has not increased significantly since initial recognition and adopts the lifetime ECLs for the evaluation of the loss allowance of financial instruments whose credit risk has increased significantly since initial recognition or which are credit-impaired.

The Group considers both the 12-month and lifetime probability of default ("PD") of the borrower together with the loss given default ("LGD"), multiplied by the exposure at default ("EAD"), and considers the impact of the time value of money in order to calculate the 12-month ECLs and lifetime ECLs, respectively.

The PD refers to the borrower's probability to default, and the LGD refers to losses caused by such default. The Group applies the PD and LGD for the impairment assessment of the credit business according to each group entity's historical information (such as credit loss experience) from internal statistical data and adjusts such historical data based on the current observable and forward-looking macroeconomic information. It then calculates the respective impairment by applying the progressive one factor model.

The Group estimates the balance of each account based on the method of amortization and considers the possible survival rate in order to calculate the EAD. In addition, the Group estimates the 12-month ECLs and lifetime ECLs of loan commitments based on the guidelines issued by the Bank's Association and Basel Accords. The Group calculates the EAD of expected credit losses by considering the portion of the loan commitments expected to be used within 12 months after the reporting date as compared with the expected lifetime of the loan commitments.

The Group uses the same definitions for default and credit impairment of financial assets. If one or more of the conditions are met, for instance, the financial assets are overdue for more than 90 days or the credit investigation appears to be abnormal, then the Group determines that the financial assets have defaulted and are credit-impaired.

Credit assets are classified into five categories. In addition to the first category of credit assets, which are normal credit assets classified as sound assets, the remaining credit assets are classified as unsound assets and assessed according to the respective collateral and the length of time in which the respective payments become overdue. Such unsound credit assets are then categorized within the second category if they should only be noted; within the third category if they have substandard expected recovery; within the fourth category if their collectability is highly doubtful; and within the fifth category if they are considered uncollectable. The Group also sets up policies for the management of provisions for doubtful credit assets and the collection and settlement of overdue debts in order to deal with collection problems.

b) Credit risk management for investments in debt instruments

The Group only invests in debt instruments that are rated the equivalent of investment grade or higher and have low credit risk for the purpose of impairment assessment. The credit rating information is supplied by independent rating agencies. The Bank and its subsidiaries' exposure and the external credit ratings are continuously monitored. The Bank and its subsidiaries review change in bonds yields other public information and make an assessment as to whether there has been a significant increase in credit risk since the last period to the current reporting date.

The Group considers the historical default rates of each credit rating supplied by external rating agencies, the current financial condition of debtors, and industry forecasts to estimate 12-month or lifetime expected credit losses.

The Group's current credit risk grading mechanism is as follows:

Category	**Description**	**Basis for Recognizing Expected Credit Losses (ECLs)**
Performing	The counterparty has a low risk of default and a strong capacity to meet contractual cash flows	12-month ECLs
Doubtful	There has been a significant increase in credit risk since initial recognition	Lifetime ECLs - not credit-impaired
In default	There is evidence indicating the asset is credit-impaired	Lifetime ECLs - credit-impaired

The Group's gross carrying amounts of investments in debt instruments by credit category were as follows:

Category	March 31, 2024	December 31, 2023	March 31, 2023
Performing	$ 196,948,399	$ 196,265,696	$ 225,800,166
Doubtful	301,955	-	400,000
In default	-	-	-

The allowance for impairment loss of investments in debt instruments at FVTOCI and amortized cost for the years ended December 31, 2023 and 2022, grouped by credit rating, is reconciled as follows:

	Credit Rating		
	Performing (12-month ECLs)	Doubtful (Lifetime ECLs - Not Credit-impaired)	Total
Balance at January 1, 2024	$ 42,321	$ -	$ 42,321
Transfers			
From performing to doubtful	(236)	236	-
New financial assets purchased or originated	9,977	-	9,977
Derecognition of financial assets	(6,625)	-	(6,625)
Change in model or risk parameters	1,325	805	2,130
Exchange rates or others	811	-	811
Balance at March 31, 2024	$ 47,573	$ 1,041	$ 48,614
Balance at January 1, 2023	$ 38,906	$ 1,481	$ 40,387
New financial assets purchased or originated	8,522	-	8,522
Derecognition of financial assets	(3,520)	-	(3,520)
Change in model or risk parameters	(61)	4	(57)
Exchange rates or others	(179)	-	(179)
Balance at March 31, 2023	$ 43,668	$ 1,485	$ 45,153

In addition to the above, the credit quality analysis of the remaining financial assets of the Bank and its subsidiaries is as follows:

a) Credit analysis for receivables and discounts and loans

March 31, 2024

	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	Difference of Impairment Loss Under Regulations	Total
Receivables	$ 5,458,016	$ 76,723	$ 5,731	$ -	$ 5,540,470
Allowance for credit losses	(2,380)	(179)	(1,379)	-	(3,938)
Difference of impairment loss under regulations	-	-	-	(8,867)	(8,867)
Net total	$ 5,455,636	$ 76,544	$ 4,352	$ (8,867)	$ 5,527,665
Discounts and loans	$ 217,749,379	$ 17,599,307	$ 1,476,944	$ -	$ 236,825,630
Allowance for credit losses	(506,311)	(351,241)	(243,975)	-	(1,101,527)
Difference of impairment loss under regulations	-	-	-	(2,175,871)	(2,175,871)
Net total	$ 217,243,068	$ 17,248,066	$ 1,232,969	$ (2,175,871)	$ 233,548,232

December 31, 2023

	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	Difference of Impairment Loss Under Regulations	Total
Receivables	$ 4,563,763	$ 53,458	$ 8,078	$ -	$ 4,625,299
Allowance for credit losses	(4,043)	(201)	(1,608)	-	(5,852)
Difference of impairment loss under regulations	-	-	-	(13,756)	(13,756)
Net total	$ 4,559,720	$ 53,257	$ 6,470	$ (13,756)	$ 4,605,691
Discounts and loans	$ 215,289,947	$ 10,080,624	$ 1,258,763	$ -	$ 226,629,334
Allowance for credit losses	(556,255)	(200,184)	(289,738)	-	(1,046,177)
Difference of impairment loss under regulations	-			(2,649,709)	(2,649,709)
Net total	$ 214,733,692	$ 9,880,440	$ 969,025	$ (2,649,709)	$ 222,933,448

March 31, 2023

	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	Difference of Impairment Loss Under Regulations	Total
Receivables	$ 4,281,729	$ 31,830	$ 47,894	$ -	$ 4,361,453
Allowance for credit losses	(3,622)	(113)	(26,209)	-	(29,944)
Difference of impairment loss under regulations	-	-	-	(12,605)	(12,605)
Net total	$ 4,278,107	$ 31,717	$ 21,685	$ (12,605)	$ 4,318,904
Discounts and loans	$ 193,725,686	$ 17,098,901	$ 1,411,064	$ -	$ 212,235,651
Allowance for credit losses	(470,605)	(92,766)	(301,523)	-	(864,894)
Difference of impairment loss under regulations	-	-	-	(2,310,163)	(2,310,163)
Net total	$ 193,255,081	$ 17,006,135	$ 1,109,541	$ (2,310,163)	$ 209,060,594

b) Credit analysis for marketable securities

March 31, 2024

	At FVTOCI Debt Instruments	At Amortized Cost - Debt Instruments	Total
Gross carrying amount	$ 170,451,018	$ 26,799,336	$ 197,250,354
Allowance for impairment loss	(44,105)	(4,509)	(48,614)
Amortized cost	170,406,913	$ 26,794,827	197,201,740
Fair value adjustment	(3,050,325)		(3,050,325)
	$ 167,356,588		$ 194,151,415

December 31, 2023

	At FVTOCI Debt Instruments	At Amortized Cost - Debt Instruments	Total
Gross carrying amount	$ 170,401,997	$ 25,863,699	$ 196,265,696
Allowance for impairment loss	(38,020)	(4,301)	(42,321)
Amortized cost	170,363,977	$ 25,859,398	196,223,375
Fair value adjustment	(2,591,825)		(2,591,825)
	$ 167,772,152		$ 193,631,550

March 31, 2023

	At FVTOCI Debt Instruments	At Amortized Cost - Debt Instruments	Total
Gross carrying amount	$ 163,825,868	$ 32,029,309	$ 195,855,177
Allowance for impairment loss	(41,598)	(3,555)	(45,153)
Amortized cost	163,784,270	$ 32,025,754	195,810,024
Fair value adjustment	(4,586,573)		(4,586,573)
	$ 159,197,697		$ 191,223,451

As of March 31, 2024, December 31, 2023 and March 31, 2023, the Group had no financial assets which were overdue but not impaired.

d. Liquidity risk

1) Source and definition of liquidity risk

Liquidity is the Group's capacity to realize assets, obtain financing or funds to meet obligations at maturity, including deposits and off-balance sheet guarantees.

Liquidity risk is the risk that the Group is unable to meet its payment obligation and to operate normally.

2) Management strategy and principles of liquidity risk

   a) Liquidity risk management process should be able to adequately identify, measure effectively, monitor continuously, and properly control of the Group's liquidity risk, to ensure that banks both in normal operating environments or under pressure, have sufficient funds to cope assets or settle liabilities when due.

   b) Manage current assets to ensure that the Group have enough instantly-realized assets to deal with currency risks.

   c) Capital management should include regular review of the asset and liability structure, and proper configuration of assets and liabilities, and should take into account the realization of assets and the stability of financing sources to plan combinations of funding sources to ensure the Group's liquidity.

   d) To establish an appropriate information system to measure, monitor and report liquidity risk.

   e) The setting of the measurement systems or models should include important factors which affect the currency risks of the Bank fund (including the introduction of new products or services) for managing current risks to help the Bank to evaluate and monitor the fund currency risks in the regular condition and under pressure.

   f) To use early warning tools and continuously monitor and report liquidity risk profile, and set liquidity risk limits, with due consideration of business strategy, operational characteristics and risk preference factors.

   g) In addition to the monitoring of the capital requirements, under normal business conditions, the Group should regularly conduct stress tests to evaluate the assumptions in the liquidity position and ensure that banks have sufficient liquidity to withstand stress scenarios; assessment should be made to view liquidity risk management indicators and reasonableness of limits.

   h) Develop appropriate action plans to respond to possible occurrence of liquidity crisis, and regularly review such plans to ensure that the action plans are in line with the Bank's operating environment and conditions, and can continue to play its role effectively.

   As of March 31, 2024, December 31, 2023 and March 31, 2023, the liquidity reserve ratio was 44.09%, 45.46% and 50.98%, respectively.

3) The analysis of cash outflow of non-derivative financial liabilities held was prepared according to the remaining periods from reporting date to contractual maturity date. The maturity analysis of non-derivative financial liabilities was as follows:

March 31, 2024	Less Than 1 Month	1-3 Months	3 Months to 6 Months	6 Months to 1 Year	More Than 1 Year	Total
Deposits from the Central Bank and other banks	$ 38,354,828	$ -	$ 2,000,000	$ -	$ 3,000,001	$ 43,354,829
Financial liabilities at fair value through profit or loss	-	10	-	3,748	16,833	20,591
Bills and bonds sold under repurchase agreements	143,679,088	38,590,808	1,769,956	258,716	4,112,902	188,411,470
Payables	5,063,550	214,448	593,138	989,141	78,185	6,938,462
Deposits and remittances	75,214,481	73,680,050	89,369,437	31,439,209	53,094,865	322,798,042
Bank debentures payable	-	-	1,500,000	1,200,000	11,750,000	14,450,000
Other financial liabilities	156,454	279,146	85,808	63,007	6,523,594	7,108,009
Lease liabilities	11,305	25,628	36,031	71,793	362,465	507,222
	$ 262,479,706	$ 112,790,090	$ 95,354,370	$ 34,025,614	$ 78,938,845	$ 583,588,625

December 31, 2023	Less Than 1 Month	1-3 Months	3 Months to 6 Months	6 Months to 1 Year	More Than 1 Year	Total
Deposits from the Central Bank and other banks	$ 24,768,214	$ 571,036	$ -	$ 2,000,000	$ 2,999,999	$ 30,339,249
Financial liabilities at fair value through profit or loss	-	117	12	-	21,273	21,402
Bills and bonds sold under repurchase agreements	147,036,014	40,412,203	2,150,158	460,049	4,440,931	194,499,355
Payables	2,449,471	739,768	528,173	1,198,899	41,069	4,957,380
Deposits and remittances	79,109,128	69,216,208	52,502,375	63,049,571	52,685,016	316,562,298
Bank debentures payable	-	-	-	2,700,000	10,250,000	12,950,000
Other financial liabilities	27,678	326,078	174,444	22,508	3,185,429	3,736,137
Lease liabilities	11,999	24,886	33,441	65,011	368,056	503,393
	$ 253,402,504	$ 111,290,296	$ 55,388,603	$ 69,496,038	$ 73,991,773	$ 563,569,214

March 31, 2023	Less Than 1 Month	1-3 Months	3 Months to 6 Months	6 Months to 1 Year	More Than 1 Year	Total
Deposits from the Central Bank and other banks	$ 19,708,392	$ 1,474,885	$ 3,000,000	$ -	$ 2,000,001	$ 26,183,278
Financial liabilities at fair value through profit or loss	-	425	-	20,589	126,621	147,635
Bills and bonds sold under repurchase agreements	141,465,774	40,638,485	1,336,413	578,144	3,743,152	187,761,968
Payables	2,986,735	158,969	502,043	906,084	60,903	4,614,734
Deposits and remittances	64,147,297	90,496,291	73,654,331	25,738,776	51,820,903	305,857,598
Bank debentures payable	-	2,250,000	-	700,000	10,650,000	13,600,000
Other financial liabilities	2,116,144	1,229,191	158,393	159,086	2,983,140	6,645,954
Lease liabilities	10,620	21,761	32,543	59,632	331,465	456,021
	$ 230,434,962	$ 136,270,007	$ 78,683,723	$ 28,162,311	$ 71,716,185	$ 545,267,188

4) The Group assessed based contractual maturities at the balance sheet to understand all the basic elements of derivative financial instruments. The maturity analysis of derivative financial liabilities was as follows:

March 31, 2024	Less Than 1 Month	1-3 Months	3 Months to 6 Months	6 Months to 1 Year	More Than 1 Year	Total
Deliverable						
Forward contracts	$ 56,313	$ 10,575	$ -	$ 1,279	$ -	$ 68,167
Currency swap contracts	290,843	105,910	112,240	141,293	-	650,286
Others	10,258	862	7,696	37,005	11,707	67,528
	357,414	117,347	119,936	179,577	11,707	785,981
Non-deliverable						
Interest rate swap contracts	-	-	233	647	131,118	131,998
	$ 357,414	$ 117,347	$ 120,169	$ 180,224	$ 142,825	$ 917,979

December 31, 2023	Less Than 1 Month	1-3 Months	3 Months to 6 Months	6 Months to 1 Year	More Than 1 Year	Total
Deliverable						
Forward contracts	$ 173,813	$ 19,060	$ 6,214	$ 479	$ -	$ 199,566
Currency swap contracts	426,512	432,763	171,838	85,146	-	1,116,259
Others	1,765	8,014	1,734	3,611	12,599	27,723
	602,090	459,837	179,786	89,236	12,599	1,343,548
Non-deliverable						
Interest rate swap contracts	82	58	-	-	36,615	36,755
	$ 602,172	$ 459,895	$ 179,786	$ 89,236	$ 49,214	$ 1,380,303

March 31, 2023	Less Than 1 Month	1-3 Months	3 Months to 6 Months	6 Months to 1 Year	More Than 1 Year	Total
Deliverable						
Forward contracts	$ 63,361	$ 2,910	$ 4,601	$ 5,215	$ -	$ 76,087
Currency swap contracts	112,665	100,930	59,175	31,855	-	304,625
Others	5,893	2,980	7,365	10,869	3,397	30,504
	181,919	106,820	71,141	47,939	3,397	411,216
Non-deliverable						
Interest rate swap contracts	-	6	-	318	31,760	32,084
	$ 181,919	$ 106,826	$ 71,141	$ 48,257	$ 35,157	$ 443,300

5) The maturity analysis of off-balance sheet items shows the remaining balance from the balance sheet date to the maturity date. For the sent financial guarantee contracts, the maximum amounts are possibly asked for settlement in the earliest period. The amounts in the table below were on cash flow basis; therefore, some disclosed amounts will not match with the consolidated balance sheet.

March 31, 2024	Less Than 1 Month	1-3 Months	3 Months to 6 Months	6 Months to 1 Year	More Than 1 Year	Total
Unused letters of credit	$ 1,456,949	$ 802,704	$ 166,639	$ -	$ -	$ 2,426,292
Other guarantees	43,374,495	82,918,423	3,060,795	817,034	740,007	130,910,754
Loan commitments	6,080,005	12,160,010	18,240,015	28,686,154	-	65,166,184
	$ 50,911,449	$ 95,881,137	$ 21,467,449	$ 29,503,188	$ 740,007	$ 198,503,230

December 31, 2023	Less Than 1 Month	1-3 Months	3 Months to 6 Months	6 Months to 1 Year	More Than 1 Year	Total
Unused letters of credit	$ 339,802	$ 1,530,567	$ 134,495	$ 91,857	$ -	$ 2,096,721
Other guarantees	48,007,188	75,775,900	4,201,539	585,975	905,537	129,476,139
Loan commitments	5,685,754	11,371,508	17,057,262	26,826,033	-	60,940,557
	$ 54,032,744	$ 88,677,975	$ 21,393,296	$ 27,503,865	$ 905,537	$ 192,513,417

March 31, 2023	Less Than 1 Month	1-3 Months	3 Months to 6 Months	6 Months to 1 Year	More Than 1 Year	Total
Unused letters of credit	$ 938,796	$ 1,440,630	$ 118,327	$ 301,928	$ -	$ 2,799,681
Other guarantees	27,463,217	88,876,300	1,544,137	366,521	923,292	119,173,467
Loan commitments	6,339,824	12,679,647	19,019,471	29,912,008	-	67,950,950
	$ 34,741,837	$ 102,996,577	$ 20,681,935	$ 30,580,457	$ 923,292	$ 189,924,098

e. Market risk

1) Source and definition of market risk

Market risk is defined as an unfavorable change in market prices (such as interest rates, exchange rates, stock prices and commodity prices etc.) which may cause financial instruments classified in trading book a potential loss on or off the balance sheet.

2) Market risk management strategy and process

The Bank manages the market risk with active, careful attitude.

The Bank makes the profit mainly from doing trading business through knowing how market risk factors fluctuate. (e.g., market price, exchange rate, and interest rate). More violent the market risk factors fluctuate, the bigger the opportunity for profit or loss. When preparing the Annual Trading Budget Report of the trading business, the Bank will refer to the overall economic and industrial analysis of the Bank itself and also the other similar business. After discussions by the president, the trading department and the market risk management department, it is submitted to the Assets and Liabilities Committee and the board of directors with the plan of loss quotas and product parts quotas to avoid setting up the goal in an impracticable way that leads the dealer to take more risk on operating.

The Bank sets up definite management rules and risk management indicators for different trading business and its risk attribute, and stipulates exposure amount, submission of expiration, authorizing management and ways of disposure. Implement certainly and ensure the trading department to abide by the discipline to control the market risk exposure extent in a safe range.

3) Market risk management organization and framework

   a) The Board of Directors: It is the top market risk supervising organization. The product part quotas and total annual stop-loss quotas of the trading business market risk monitored and managed by the Bank, approved by the board of directors, are the top stipulation in market risk management.

   b) Risk Management Committee: Responsible for the risk management policies, various risk management regulations, annual risk appetites, limits, risk management proposals for the board of directors' approval and various risk management mechanisms, supervise and review credit, market, operations, liquidity, information security, AML, personal data protection, climate changes, emergencies and other risk management, improve the Bank's risk management mechanism to ensure the effective implementation of the Bank's risk management procedures.

   c) Risk Management Department: In charge of market risk management. According to the Bank's regulation, the department is in charge of every operation related to market risk management, including planning of market risk limit, statistics, reporting and monitoring.

4) Market risk report and evaluation system

   The Bank setup the risk index, exposure amount and authority levels by products' type (e.g. equity, interest rate, currency exchange rate).

   The Bank setup the limit amount of trading and loss, and other index including VaR, MAT limit, 20-Day average liquidity and FS sensitivity limit to enhance the risk control system.

   The Bank calculates the risk exposure amount of the trade department and traders based on authorized amount, and submits risk report, monitors the limits and executes the following measures.

   The Bank sets up the index of stop loss to control the risk of transaction including bonds, Forex, securities and derivative by building the risk evaluation module, and monitor the loss caused by the fluctuation of stock market, exchange rate and interest rates.

5) Value at Risk

   The Bank adopts Value at Risk to evaluate trading book products such as rate financial instruments, TWD interest products and market risks of trading assets IPO stocks. When market factors happen negative changes, Value at Risk reveals the potential losses of holding financial instruments during a certain period and in a confidence interval. The bank adopts Monte Carlo method to estimate Value at Risk, the confidence interval is 99%, the sample interval of rate and stock products is the past year, the sample interval of interest products is the past three years, simulation times is 5,000 times, simulation path is GBM.

The following table illustrates the Value at Risk of the Bank, this risk value is based on confidence interval, estimated in one day potential losses and assumed unfavorable interest and rate changes can cover all possible fluctuation in one day. Based on this assumption, the Value at Risk of financial assets and liabilities in the table have one in hundred days possibility more than the amount in the table due to the fluctuation of interest, rate and stock prices. Annual average value, maximum value and minimum value are calculated based on daily Value at Risk. The total market risk value of the bank is less than the sum of the fair value risk value, rate risk value and price risk value of interest changes.

O-Bank

	March 31, 2024			December 31, 2023			March 31, 2023		
	Average	High	Low	Average	High	Low	Average	High	Low
Currency exchange rate risk	$ 3,121	$ 12,560	$ 778	$ 14,150	$ 23,128	$ 667	$ 11,963	$ 15,255	$ 9,104
Fair value risk resulting from interest rate	1,506	3,134	1,246	1,478	3,643	574	2,036	3,643	617
Fair value resulting from stock price	17,457	35,439	5,749	3,369	10,961	-	2,198	3,449	424

6) Effect of interest rate benchmark reform

The Group is exposed to USD LIBOR which are subject to interest rate benchmark reform. The exposures arise on non-derivative financial assets. SOFR (Secured Overnight Financing Rate) is expected to replace USD LIBOR. There are key differences among these benchmarks. 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 Bank has completed the USD LIBOR transition plans, and all the affected financial instruments were transitioned to SOFR.

The subsidiary, China Bills Finance Corporation, will update the basic information on bonds according to the supplementary agreements based on the benchmark interest rates linked to the floating-rate foreign currency bonds for each period. These transition projects are considering changes to risk management policies, internal processes, IT systems and valuation models, as well as managing any related tax and accounting implications.

Risks arising from the transition relate principally to the potential impact of interest rate basis risk. If the bilateral negotiations with the Group’s counterparties are not successfully concluded before the cessation of USD LIBOR, there are significant uncertainties with regard to the interest rate that would apply. This gives rise to additional interest rate risk that was not anticipated when the contracts were entered into.

The following table contains details of all of the financial instruments held by the Group at March 31, 2024 which are subject to the reform and have not transitioned to an alternative benchmark interest rate:

	Book Value Not Transitioned to Alternative Benchmark Rates	Transition Progress
USD LIBOR financial assets		
Financial assets at fair value through other comprehensive income	$ 160,217	This subsidiary and the counterparty of the financial instrument agree to set the subsequent interest rate based on the quotation of USD LIBOR before exit and adopt the synthetic USD LIBOR as the unfinished interest indicator.

7) Foreign currency rate risk information

The information of significant foreign financial assets and liabilities is as follows:

Unit: Foreign Currencies (Thousand)/NT$(Thousands)

	March 31, 2024		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars
Financial assets			
Monetary item			
USD	$ 3,289,317	32.0048	$ 105,273,942
JPY	14,379,505	0.2113	3,038,363
HKD	11,140,712	4.0892	45,556,823
EUR	31,987	34.4741	1,102,741
AUD	460,014	20.8339	9,583,911
RMB	897,806	4.4096/4.4299	3,958,966
Investments accounted for using equity method			
RMB	271,240	4.4299	1,201,556
Financial liabilities			
Monetary item			
USD	4,763,410	32.0048	152,451,971
JPY	3,549,419	0.2113	749,986
HKD	6,132,458	4.0892	25,076,971
EUR	7,283	34.4741	215,070
AUD	128,359	20.8339	2,674,234
RMB	569,142	4.4096	2,509,673

	December 31, 2023		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars
Financial assets			
Monetary item			
USD	$ 3,286,167	30.7533	$ 101,060,395
JPY	8,301,798	0.2172	1,803,101
HKD	11,977,009	3.9382	47,167,618
EUR	26,300	34.0476	895,451
AUD	466,153	20.9960	9,787,331
RMB	844,097	4.3347/4.3289	3,654,001
Investments accounted for using equity method			
RMB	264,036	4.3347	1,144,527
Financial liabilities			
Monetary item			
USD	4,761,685	30.7533	146,437,392
JPY	2,927,936	0.2172	635,931
HKD	6,077,037	3.9382	23,932,465
EUR	10,437	34.0476	355,363
AUD	282,432	20.9960	5,929,928
RMB	519,183	4.3289	2,247,480

	March 31, 2023		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars
Financial assets			
Monetary item			
USD	$ 2,969,334	30.4767	$ 90,495,389
JPY	3,419,156	0.2285	781,163
HKD	10,567,333	3.8813	41,014,778
EUR	36,010	33.1393	1,193,344
AUD	363,995	20.3475	7,406,382
RMB	839,664	4.4311/4.4333	3,720,664
Investments accounted for using equity method			
RMB	240,928	4.4333	1,068,114
Financial liabilities			
Monetary item			
USD	4,545,546	30.4767	138,533,071
JPY	3,480,534	0.2285	795,186
HKD	4,734,899	3.8813	18,377,470
EUR	13,818	33.1393	457,904
AUD	174,609	20.3475	3,522,858
RMB	646,668	4.4311/4.4333	2,865,470

f. Banking book interest rate risk

1) Source and definition of interest rate risk of banking book

   Banking book's interest rate risk means the probably loss of non-trading book's position within balance sheet and off-balance sheet arise from interest change.

2) Management strategy and process of interest rate risk of banking book

   The Bank controls this interest rate risk with a positive and strict attitude. The Bank hopes to pursue the stability and growth of surplus without liquidity flaws.

   The Bank set the clear management methods and risk management indicators with different trading, investment and risk, and set the report of risk amount and over limit, approved level and reaction plan. The Bank executes the procedures clearly, establishes a trading discipline that upholds the discipline of investment, and controls the interest rate risk of banking book within the limit.

3) Management organization and framework of interest rate risk of banking book

   a) The Board of Directors: It is the top organization to supervise interest rate risk of banking book. The product part quotas and total annual stop-loss quotas of the trading business market risk monitored and managed by the Bank and approved by the board of director are the top stipulation in bank book interest risk.

   b) Assets and Liabilities Committee: In charge of stipulating risk management policy of interest rate risk of banking book and monitoring the risk management operating of interest rate risk of banking book. The Bank assembles related departments to hold an assets-and-liabilities assessment meeting to review the risk management conditions of interest rate risk of banking book and the result of interest rate pressure test once a month.

   c) Risk Management Department: In charge of risk management of interest rate risk of banking book. According to the Bank's regulation, the department is in charge of every operation related to management of interest rate risk of banking book, including planning limits, statistics, reporting and monitoring.

4) The extent and characteristics of interest rate risk report and evaluation system of banking book

   The Risk Management Department set the regulation with interest rate risk of banking book as follow, limit of position, limit of annual loss, FS sensitivity limit, duration limit, Individual Investment Target Warning Limits, Individual Investment Target stop buying limit, Tier I Capital Interest Rate Sensitivity Warning Limit-Rising/falling interest rates by 1bp, net income interest rate sensitivity warning limit: Interest rate rise/fall 25bps, 50bps, 75bps, 100bps.

   In summary, it is intended to enhance the risk control framework of interest rate risk of banking book.

   Besides, the Risk Management Department executes the following tests to assess the impact to the Bank's net income in special situation pressure test, and reports the result to the Assets and Liabilities Committee.

   The Risk Management Department calculates the exposure amount of each trading departments and traders, and it also reports the risk reports, monitors over-limits, and performs follow-up actions under the regulations.

g. Climate risk

1) Source and definition of climate risk

Due to the continuous emission of greenhouse gases from various economic activities, the earth is warming up and generating extreme climate, thus creating climate risk. Climate risk is mainly categorized as: Transformation risk due to the impact of external policies and regulations, technological transformation, market preference and reputation in order to achieve the goal of a low-carbon economy, and physical risk due to the impact of climate change or extreme climate.

2) Management strategy and principles of climate risk

The Bank has established climate risk management policies and monitoring indicators to ensure the effectiveness of implementation and the resilience to different climate scenarios, and conducts annual scenario analyses of physical and transformational risks to assess the impact of climate risk on business and finance.

h. Average amount and average interest rate of interest-earning assets and interest-bearing liabilities

Interest rate fluctuations affect the earning assets and interest-bearing liabilities, and current average interest rates are as follows:

O-Bank

	For the Three Months Ended March 31			
	2024		2023	
	Average Balance	Average Rate (%)	Average Balance	Average Rate (%)
Interest-earning assets				
Due from banks (part of cash and cash equivalents and other financial assets)	$ 2,058,612	2.26	$ 880,508	2.36
Call loans to other banks	11,442,191	5.01	11,232,690	4.32
Due from the Central Bank	5,986,877	1.16	5,852,814	1.05
Financial assets at FVTPL	34,233,398	1.31	37,269,615	1.12
Discounts and loans	210,721,789	4.37	189,595,457	3.75
Financial assets at FVTOCI	72,735,275	1.71	65,119,224	1.50
Financial assets at amortized cost	24,125,614	2.75	27,728,927	2.02
Receivables	197,558	3.70	1,215,190	3.23
Interest-bearing liabilities				
Deposits from the Central Bank and other banks	14,308,279	3.08	14,571,122	2.50
Demand deposits	63,410,946	1.68	50,049,007	0.92
Time deposits	235,262,222	3.05	232,828,106	2.48
Bills and bonds sold under repurchase agreements	15,190,495	3.22	10,633,897	3.38
Bank debentures payable	13,032,418	1.84	13,600,000	1.90
Other financial liabilities	1,861,752	0.20	1,794,450	0.08

China Bills Finance Corporation (CBF)

	For the Three Months Ended March 31			
	2024		2023	
	Average Balance	Average Rate (%)	Average Balance	Average Rate (%)
Interest-earning assets				
Cash and cash equivalents, other assets -refundable deposits	$ 828,952	0.15	$ 815,812	0.01
Call loans to banks and due from Central Bank	298,132	1.12	286,222	1.03
Financial assets at fair value through profit or loss - bonds and bills	121,073,737	1.39	105,834,562	1.26
FVTOCI - debt instruments	94,673,299	1.98	93,395,383	1.54
Financial instruments at fair value through profit or loss - hybrid financial assets	6,919,008	2.37	6,985,684	1.43
Investments in debt instruments measured at amortized cost	2,186,998	1.42	1,672,803	1.46
Securities purchased under resell agreements	3,602,844	0.94	4,437,434	0.74
Interest-bearing liabilities				
Call loans from other banks	21,866,706	1.87	13,275,044	1.64
Bank overdraft	401,099	2.86	3,352	2.09
Securities sold under repurchase agreements	183,844,362	1.70	173,456,326	1.36
Commercial paper payable	-	-	1,500,000	1.44

47. CAPITAL MANAGEMENT

a. Strategies to maintain capital adequacy

The Group's common equity ratio of Tier I capital ratio and capital adequacy ratio required by the competent authority shall comply with the minimum capital ratio for each year; leverage ratio measurement basis is subject to the competent authorities. The calculation of the ratio mentioned above by competent authority regulations.

b. Capital assessment program

Measures are taken when capital ratio and leverage ratio deteriorates such as regular calculation, analysis, monitoring and reporting, the annual allocation of each business's capital adequacy ratio targets and regularly tracking the target achievement rate in the capital.

48. ASSET QUALITY, CONCENTRATION OF LOANS EXTENSIONS, INTEREST RATE SENSITIVITY, PROFITABILITY AND DISCLOSURE OF RELATED INFORMATION OF INDUSTRY REGULATIONS OF MATURITY ANALYSIS OF ASSETS AND LIABILITIES

O-Bank

a. Asset quality: Refer to Table 2.

b. Concentration of credit extensions

March 31, 2024

(In Thousands of New Taiwan Dollars, %)

Rank	Company Name	Credit Extensions Balance	% of Net Asset Value
1	A Company (telecommunications)	$ 9,986,127	23.93
2	B Company (real estate development)	3,653,046	8.75
3	C Company (chemical materials manufacturing)	3,616,676	8.67
4	D Company (real estate leasing and rental)	3,083,473	7.39
5	E Company (other holding company)	2,892,883	6.93
6	F Company (real estate development)	2,696,868	6.46
7	G Company (real estate development)	2,668,642	6.39
8	H Company (other holding company)	2,450,000	5.87
9	I Company (glass and glass made products manufacturing)	2,405,529	5.76
10	J Company (construction of buildings)	2,331,693	5.59

March 31, 2023

(In Thousands of New Taiwan Dollars, %)

Rank	Company Name	Credit Extensions Balance	% of Net Asset Value
1	K Company (unclassified other financial service)	$ 6,605,646	16.94
2	A Company (telecommunications)	6,407,122	16.43
3	B Company (real estate development)	4,186,536	10.74
4	F Company (real estate development)	3,467,700	8.89
5	H Company (other holding company)	2,970,000	7.62
6	I Company (glass and glass made products manufacturing)	2,823,039	7.24
7	C Company (chemical materials manufacturing)	2,675,240	6.86
8	E Company (other holding company)	2,397,403	6.15
9	L Company (wire and cable manufacturing)	2,385,163	6.12
10	G Company (real estate development)	2,367,802	6.07

Note 1: The list shows top 10 rankings by total amount of credit, endorsement or other transactions but excludes government-owned or state-run enterprises. If the borrower is a member of a group enterprise, the total amount of credit, endorsement or other transactions of the entire group enterprise must be listed and disclosed by code and line of industry. The industry of the group enterprise should be presented as the industry of the member firm with the highest risk exposure. The lines of industry should be described in accordance with the Standard Industrial Classification System of the Republic of China published by the Directorate - General of Budget, Accounting and Statistics under the Executive Yuan.

Note 2: Group enterprise refers to a group of corporate entities as defined by Article 6 of "Supplementary Provisions to the Taiwan Stock Exchange Corporation Rules for Review of Securities Listings"

Note 3: Total amount of credit, endorsement or other transactions is the sum of various loans (including import and export negotiations, discounts, overdrafts, unsecured and secured short-term loans, margin loans receivable, unsecured and secured medium-term loans, unsecured and secured long-term loans and overdue loans), exchange bills negotiated, accounts receivable factored without recourse, acceptances and guarantees.

c. Interest rate sensitivity

Interest Rate Sensitivity Balance Sheet (New Taiwan Dollars)

March 31, 2024

Items	0 to 90 Days (Included)	91 to 180 Days (Included)	181 Days to One Year (Included)	Over One Year	Total
Interest rate-sensitive assets	$ 182,262,107	$ 11,282,241	$ 14,951,810	$ 44,759,337	$ 253,255,495
Interest rate-sensitive liabilities	70,996,993	99,446,013	27,150,685	38,782,890	236,376,581
Interest rate-sensitive gap	111,265,114	(88,163,772)	(12,198,875)	5,976,447	16,878,914
Net worth					38,746,698
Ratio of interest rate-sensitive assets to liabilities					107.14%
Ratio of interest rate sensitivity gap to net worth					43.56%

March 31, 2023

Items	0 to 90 Days (Included)	91 to 180 Days (Included)	181 Days to One Year (Included)	Over One Year	Total
Interest rate-sensitive assets	$ 174,043,672	$ 15,554,318	$ 13,476,460	$ 42,035,353	$ 245,109,803
Interest rate-sensitive liabilities	92,980,963	81,391,287	19,769,989	40,801,705	234,943,944
Interest rate-sensitive gap	81,062,709	(65,836,969)	(6,293,529)	1,233,648	10,165,859
Net worth					35,202,298
Ratio of interest rate-sensitive assets to liabilities					104.33%
Ratio of interest rate sensitivity gap to net worth					28.88%

Note 1: The above amounts included only New Taiwan dollar amounts held by the Bank and excluded contingent assets and contingent liabilities items.

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 Balance Sheet (U.S. Dollars)

March 31, 2024

(In Thousands of U.S. Dollars, %)

Items	0 to 90 Days (Included)	91 to 180 Days (Included)	181 Days to One Year (Included)	Over One Year	Total
Interest rate-sensitive assets	$ 1,100,508	$ 16,311	$ 16,826	$ 2,242,217	$ 3,375,862
Interest rate-sensitive liabilities	2,066,419	1,018,931	152,711	292	3,238,353
Interest rate-sensitive gap	(965,911)	(1,002,620)	(135,885)	2,241,925	137,509
Net worth					90,595
Ratio of interest rate-sensitive assets to liabilities					104.25%
Ratio of interest rate sensitivity gap to net worth					151.78%

March 31, 2023

(In Thousands of U.S. Dollars, %)

Items	0 to 90 Days (Included)	91 to 180 Days (Included)	181 Days to One Year (Included)	Over One Year	Total
Interest rate-sensitive assets	$ 984,966	$ 66,590	$ 56,519	$ 2,335,931	$ 3,444,006
Interest rate-sensitive liabilities	2,323,515	766,428	193,346	171	3,283,460
Interest rate-sensitive gap	(1,338,549)	(699,838)	(136,827)	2,335,760	160,546
Net worth					127,727
Ratio of interest rate-sensitive assets to liabilities					104.89%
Ratio of interest rate sensitivity gap to net worth					125.69%

Note 1: The above amounts included only U.S. dollar amounts held by 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).

d. Profitability

(In %)

Items		For the Three Months Ended March 31, 2024	For the Three Months Ended March 31, 2023
Return on total assets	Before income tax	0.28	0.23
	After income tax	0.24	0.20
Return on equity	Before income tax	2.71	2.21
	After income tax	2.33	1.93
Net income ratio		42.75	40.83

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 revenue.

Note 4: Income before (after) income tax represents income for the three months ended March 31, 2024 and 2023.

e. Maturity analysis of assets and liabilities

Maturity Analysis of Assets and Liabilities (New Taiwan Dollars)

March 31, 2024

	Total	Remaining Period to Maturity					
		0-10 Days	11-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year
Main capital inflow on maturity	$ 297,459,980	$ 49,117,187	$ 33,436,665	$ 33,385,740	$ 19,647,604	$ 22,088,238	$ 139,784,546
Main capital outflow on maturity	345,776,242	21,231,135	34,315,445	62,379,078	80,225,088	58,237,707	89,387,789
Gap	(48,316,262)	27,886,052	(878,780)	(28,993,338)	(60,577,484)	(36,149,469)	50,396,757

March 31, 2023

	Total	Remaining Period to Maturity					
		0-10 Days	11-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year
Main capital inflow on maturity	$ 289,136,501	$ 58,168,766	$ 27,036,807	$ 39,595,386	$ 18,430,227	$ 21,809,899	$ 124,095,416
Main capital outflow on maturity	340,878,453	24,001,457	30,250,561	79,408,488	80,927,777	47,707,871	78,582,299
Gap	(51,741,952)	34,167,309	(3,213,754)	(39,813,102)	(62,497,550)	(25,897,972)	45,513,117

Note: The above amounts included only New Taiwan dollar amounts held by the Bank.

Maturity Analysis of Assets and Liabilities (U.S. Dollars)

March 31, 2024

(In Thousands of U.S. Dollars)

	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	$ 6,222,459	$ 3,571,619	$ 839,138	$ 325,199	$ 392,568	$ 1,093,935
Main capital outflow on maturity	6,388,302	3,405,410	1,144,778	562,670	507,217	768,227
Gap	(165,843)	166,209	(305,640)	(237,471)	(114,649)	325,708

March 31, 2023

(In Thousands of U.S. Dollars)

	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	$ 5,521,233	$ 2,597,455	$ 1,100,048	$ 485,000	$ 352,000	$ 986,730
Main capital outflow on maturity	5,747,831	2,546,903	1,476,557	548,004	413,512	762,855
Gap	(226,598)	50,552	(376,509)	(63,004)	(61,512)	223,875

Note 1: The above amounts included only U.S. dollar amounts held by the Bank.

Note 2: If the overseas assets are at least 10% of the total assets, there should be additional disclosures.

Maturity Analysis of Overseas Assets and Liabilities (U.S. Dollars)

March 31, 2024

(In Thousands of U.S. Dollars)

	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	$ 1,931,325	$ 1,502,363	$ 300,781	$ 24,243	$ 4,118	$ 99,820
Main capital outflow on maturity	1,870,995	882,403	415,238	220,359	98,836	254,159
Gap	60,330	619,960	(114,457)	(196,116)	(94,718)	(154,339)

March 31, 2023

(In Thousands of U.S. Dollars)

	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	$ 1,803,290	$ 1,333,090	$ 258,671	$ 48,565	$ 57,292	$ 105,672
Main capital outflow on maturity	1,820,347	849,318	403,746	130,375	149,091	287,817
Gap	(17,057)	483,772	(145,075)	(81,810)	(91,799)	(182,145)

China Bills Finance Corporation

a. Asset quality

Item / Period	March 31, 2024	March 31, 2023
Balance of guarantees and endorsement credits overdue within 3 months	$ -	$ -
Nonperforming debts (include overdue receivables)	-	-
Credits under observation	-	-
Overdue receivables	-	-
Ratio of non-performing debts	0.00%	0.00%
Ratio of non-performing debts and credits under observation	0.00%	0.00%
Required provision for credit losses and reserve for losses on guarantees	1,264,240	1,208,198
Actual provision for credit losses and reserve for losses on guarantees	1,371,077	1,382,077

b. The principal operation

Item / Period	March 31, 2024	March 31, 2023
Balance of guarantees and endorsement securities	$ 103,367,600	$ 97,775,300
Multiple of guarantees and endorsement securities to net worth	4.93	4.08
Short-term bills and bonds sold under repurchase agreement	$ 175,049,138	174,203,068
Multiple of short-term bills and bonds sold under repurchase agreement to net worth	8.34	7.26

c. The provision policy and allowance for doubtful accounts, refer to Note 14.

d. Concentrations of credit extensions

(In %)

Item \ Period	March 31, 2024		March 31, 2023	
Credit of the common interested party	$ -		$ -	
Ratio of credit extensions to common interest parties	-		-	
Ratio of credit extensions secured by pledged share	20.13		18.59	
Loan concentration by industry (ratio of top three industries to which credit line issued to credit extension balance)	**Type of Industry**	**%**	**Type of Industry**	**%**
	Finance and insurance industry	31.44	Finance and insurance industry	30.05
	Real estate industry	26.86	Real estate industry	27.54
	Manufacturing industry	18.33	Manufacturing industry	19.91

Note 1: Ratio of credit extensions to common interest related parties: Credit to common interest related party ÷ Total credit.

Note 2: Ratio of credit extensions secured by pledged stocks: Credit with stocks pledged ÷ Total credit.

Note 3: Total credit included guarantees, endorsement notes and overdue credit (including overdue receivables, accounts receivable, and notes receivable).

e. Interest rate sensitivity information of the balance sheet

March 31, 2024

(In Millions of New Taiwan Dollars, %)

Items	1 to 90 Days (Included)	91 to 180 Days (Included)	181 Days to One Year (Included)	Over One Year	Total
Interest rate-sensitive assets	$ 110,803	$ 6,064	$ 12,566	$ 96,591	$ 226,024
Interest rate-sensitive liabilities	200,935	1,464	95	-	202,494
Interest rate-sensitive gap	(90,132)	4,600	12,471	96,591	23,530
Net worth					25,405
Ratio of interest rate-sensitive assets to liabilities (%)					111.62
Ratio of interest rate sensitivity gap to net worth (%)					92.62

March 31, 2023

(In Millions of New Taiwan Dollars, %)

Items	1 to 90 Days (Included)	91 to 180 Days (Included)	181 Days to One Year (Included)	Over One Year	Total
Interest rate-sensitive assets	$ 97,481	$ 6,850	$ 14,956	$ 87,712	$ 206,999
Interest rate-sensitive liabilities	184,685	1,244	470	-	186,399
Interest rate-sensitive gap	(87,204)	5,606	14,486	87,712	20,600
Net worth					23,067
Ratio of interest rate-sensitive assets to liabilities (%)					111.05
Ratio of interest rate sensitivity gap to net worth (%)					89.31

Note 1: 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 2: Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets ÷ Interest rate-sensitive liabilities (in New Taiwan dollars).

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

f. The use of funding sources table

March 31, 2024

(In Millions of New Taiwan Dollars)

Items \ Period		1 to 30 Days	31 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year
Cash used in	Bills	$ 40,700	$ 63,695	$ 4,851	$ 6,434	$ -
	Bonds	1,019	2,505	1,113	6,132	96,591
	Due from banks	340	-	-	-	-
	Call loans	-	-	-	-	-
	Securities purchased under resell agreements	2,544	-	100	-	-
	Total	44,603	66,200	6,064	12,566	96,591
Cash provided by	Borrowing	27,808	-	-	-	-
	Securities sold under repurchase agreements	136,534	36,593	1,464	95	-
	Eligible capital	-	-	-	-	25,405
	Total	164,342	36,593	1,464	95	25,405
Net cash flows		(119,739)	29,607	4,600	12,471	71,186
Accumulated cash flows		(119,739)	(90,132)	(85,532)	(73,061)	(1,875)

March 31, 2023

(In Millions of New Taiwan Dollars)

Items \ Period		1 to 30 Days	31 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year
Cash used in	Bills	$ 43,108	$ 49,380	$ 5,159	$ 7,287	$ -
	Bonds	240	2,174	1,691	7,669	87,712
	Due from banks	327	-	-	-	-
	Call loans	-	-	-	-	-
	Securities purchased under resell agreements	2,252	-	-	-	-
	Total	45,927	51,554	6,850	14,956	87,712
Cash provided by	Borrowing	11,500	998	-	-	-
	Securities sold under repurchase agreements	133,740	38,447	1,244	470	-
	Eligible capital	-	-	-	-	23,067
	Total	145,240	39,445	1,244	470	23,067
Net cash flows		(99,313)	12,109	5,606	14,486	64,645
Accumulated cash flows		(99,313)	(87,204)	(81,598)	(67,112)	(2,467)

g. Matters requiring special notation

Causes	March 31, 2024	March 31, 2023
Within the past year, a responsible person or professional employee violated the law in the course of business, resulting in an indictment by a prosecutor	None	None
Within the past year, a fine was levied on for violations of the Act Governing Bills Finance Business and the other laws	None	None
Within the past year, misconduct occurred, resulting in the Ministry of Finance's imposing strict corrective measures	None	None
Within the past year, the individual loss or total loss from employee fraud, accidental and material events, or failure to abide by the "Guidelines for Maintenance of Soundness of Financial Institutions" which exceeded NT$50 million	None	None
Other	None	None

Note: The term "within the past year" means one year before the balance sheet date.

49. CASH FLOWS INFORMATION

Changes in Liabilities from Financing Activities

For the three months ended March 31, 2024

	January 1, 2024	Cash Inflow (Outflow)	Non-cash Changes		March 31, 2024
			Add Leasing	Other	
Bank debentures payable	$ 12,950,000	$ 1,500,000	$ -	$ -	$ 14,450,000
Lease liabilities	463,732	(39,882)	29,614	14,046	467,510
Other financial liabilities	3,736,137	3,371,872	-	-	7,108,009
Other liabilities	460,945	1,179	-	-	462,124
	$ 17,610,814	$ 4,833,169	$ 29,614	$ 14,046	$ 22,487,643

For the three months ended March 31, 2023

	January 1, 2023	Cash Inflow (Outflow)	Non-cash Changes		March 31, 2023
			Add Leasing	Other	
Bank debentures payable	$ 13,600,000	$ -	$ -	$ -	$ 13,600,000
Lease liabilities	432,826	(31,891)	15,750	333	417,018
Other financial liabilities	5,156,808	1,491,433	-	(2,287)	6,645,954
Other liabilities	500,360	15,771	-	-	516,131
	$ 19,689,994	$ 1,475,313	$ 15,750	$ (1,954)	$ 21,179,103

50. ADDITIONAL DISCLOSURES

a. Related information of significant transactions and investees and

b. Names, locations, and other information of investees over which the Bank exercises significant influence.

1) Financing provided: None

2) Endorsement/guarantee provided: None

3) Marketable securities held: The Group - not applicable; investees - Table 1 (attached)

4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 10% of the paid-in capital: None

5) Acquisition of individual real estate at costs of at least NT$300 million or 10% of the paid-in capital: None

6) Disposal of individual real estate at costs of at least NT$300 million or 10% of the paid-in capital: None

7) Allowance of service fees to related parties amounting to at least NT$5 million: None

8) Receivables from related parties amounting to at least NT$300 million or 10% of the paid-in capital: None

9) Sale of non-performing loans: None

10) Information of applying for authorization of securitized product type according to the "Regulations of Financial Assets Securitization or Regulations of Real Estate Securitization": None

11) Other significant transactions which may affect the decisions of users of financial reports: None

12) Related information and total stockholding circumstances of "Name, locations and other information of investees on which the Group exercises significant influence." Uncovering

13) Derivative instrument transactions: Note 8

c. Investment in mainland China: Table 3 (attached)

d. Business relationships and significant transactions among the Group: Table 4 (attached)

e. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 5 (attached)

51. OPERATING SEGMENT FINANCIAL INFORMATION

The Group provides CODM to assess segment performance, focusing on the nature of business operations, assets and profit and loss. The accounting policies of each operating segment are described in Note 4 the same significant accounting policies. The Group shall be reported to the operating divisions are as follows:

a. Bank: Business ruled by in Low of Bank Law Article 71.

b. Overseas: Overseas banking business.

c. Leasing: Leasing business.

d. Bills: Bills-related business approved by the competent authority.

e. Others: Other non-core businesses.

The following was an analysis of the Group's revenue and results by reportable segment.

	Bank	Overseas	Bills	Others	Eliminations	Consolidated
For the three months ended March 31, 2024						
Net interest						
From unaffiliated segment	$ 599,996	$ 247,831	$ (393,734)	$ (1,675)	$ 51	$ 452,469
From other segment	(83)	-	-	83	-	-
	$ 599,913	$ 247,831	$ (393,734)	$ (1,592)	$ 51	$ 452,469
Net revenue other than interest						
From unaffiliated segment	$ 1,626,977	$ 21,110	$ 1,073,332	$ 137,022	$ -	$ 2,858,441
From other segment	3,673	-	(3,266)	(151)	(330,766)	(330,510)
	$ 1,630,650	$ 21,110	$ 1,070,066	$ 136,871	$ (330,766)	$ 2,527,931
Income from continuing operation	$ 953,473	$ 83,260	$ 434,237	$ 123,804	$ (323,396)	$ 1,271,378
Identifiable assets	$ 385,216,418	$ 29,580,796	$ 231,998,000	$ 1,574,322	$ (82,703)	$ 648,286,833
Depreciation and amortization	$ 138,665	$ 11,283	$ 6,299	$ 350	$ (3,420)	$ 153,177
Capital expenditures	$ 23,168	$ 284	$ 4,041	$ -	$ -	$ 27,493
For the three months ended March 31, 2023						
Net interest						
From unaffiliated segment	$ 511,104	$ 272,141	$ (266,718)	$ (1,503)	$ 98	$ 515,122
From other segment	(8)	-	-	8	-	-
	$ 511,096	$ 272,141	$ (266,718)	$ (1,495)	$ 98	$ 515,122
Net revenue other than interest						
From unaffiliated segment	$ 1,293,930	$ 9,888	$ 1,003,970	$ 127,632	$ -	$ 2,435,420
From other segment	3,672	-	(3,222)	(167)	(367,292)	(367,009)
	$ 1,297,602	$ 9,888	$ 1,000,748	$ 127,465	$ (367,292)	$ 2,068,411
Income from continuing operation	$ 738,461	$ 109,393	$ 505,645	$ 116,044	$ (359,877)	$ 1,109,666
Identifiable assets	$ 365,912,704	$ 25,718,889	$ 211,780,726	$ 1,525,790	$ (91,525)	$ 604,846,584
Depreciation and amortization	$ 128,836	$ 12,272	$ 6,474	$ 194	$ (3,420)	$ 144,356
Capital expenditures	$ 20,099	$ 84	$ 533	$ -	$ -	$ 20,716

TABLE 1

O-BANK AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
MARCH 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2024				Note
				Stocks/Units (Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
IBT Holdings	Stocks							
	EverTrust Bank	Subsidiaries	Investments accounted for using the equity method	10,714	US$ 204,913	91.78	US$ 204,913	
IBT Management Corp.	Closed type beneficiary certificate							
	O-Bank Real Estate Investment Trust "Successful One"	-	Financial asset at FVTOCI	3,059	24,533	1.02	24,533	
	Stocks							
	Thunder Tiger Biotechnology Co., Ltd.	-	Financial asset at FVTPL	1,703	34,745	7.08	34,745	Note 2
	TaiRx Co., Ltd.	-	Financial asset at FVTPL	433	14,985	0.39	14,985	Note 2
	Shihlien China Holding Co., Limited	-	Financial asset at FVTPL	19,682	127,754	0.46	127,754	Notes 1 and 2
	Beauty Essentials International Ltd. (Samoa)	-	Financial asset at FVTPL	25,974	25,925	2.44	25,925	Note 2
	Houdou Pinshan (Cayman) Co., Ltd.	-	Financial asset at FVTPL	500	5,859	2.17	5,859	Note 2
	Arizon RFID Technology (Cayman) Co., Ltd.	-	Financial asset at FVTPL	129	18,641	0.17	18,641	
	Pharmosa Biopharm Inc.	-	Financial asset at FVTPL	160	12,836	0.12	12,836	
	Obigen Pharma, Inc.	-	Financial asset at FVTPL	400	32,853	0.38	32,853	
	Brain Navi Biotechnology Co., Ltd.	-	Financial asset at FVTPL	325	18,704	0.74	18,704	
	High Performance Information Co., Ltd.	-	Financial asset at FVTPL	720	36,292	2.82	36,292	
	Mercuries F&B Co., Ltd.	-	Financial asset at FVTPL	350	30,412	0.58	30,412	
	Anxo Pharmaceutical Co., Ltd.	-	Financial asset at FVTPL	500	22,445	0.90	22,445	
	Foxtron Vehicle Technologies Co., Ltd.	-	Financial asset at FVTPL	600	26,580	0.03	26,580	
	CALIWAY BIOPHARMACEUTICALS CO., LTD.	-	Financial asset at FVTPL	26	6,629	0.04	6,629	
	Creative Life Science Co., Ltd.	-	Financial asset at FVTPL	294	19,992	1.39	19,992	
IBT VII Venture Capital Co., Ltd.	Closed type beneficiary certificate							
	O-Bank Real Estate Investment Trust "Successful One"	-	Financial asset at FVTOCI	14,000	112,280	4.67	112,280	
	Stocks							
	TaiRx Co., Ltd.	-	Financial asset at FVTPL	3,435	118,927	3.12	118,927	Note 2
	Meridigen Corp.	-	Financial asset at FVTPL	250	4,979	0.55	4,979	
	Femcosteel Tech Co., Ltd.	-	Financial asset at FVTPL	1,687	38,967	3.09	38,967	
	Shihlien China Holding Co., Limited	-	Financial asset at FVTPL	41,635	270,251	0.96	270,251	Notes 1 and 2
	Advanced Echem Materials Company Limited.	-	Financial asset at FVTPL	265	154,251	0.32	154,251	Note 2

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2024				Note
				Stocks/Units (Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Chipwell Tech Corporation	-	Financial asset at FVTPL	348	$ 9,415	1.30	$ 9,415	Note 2
	THEVAX GENET ICS Vaccine Co., Ltd.	-	Financial asset at FVTPL	1,008	375	0.98	375	Note 2
	Reber Genetics Co., Ltd.	-	Financial asset at FVTPL	461	4,040	0.93	4,040	Note 2
	Kaohsiung Rapid Transit Corporation All Rights Reserved.	-	Financial asset at FVTPL	3,845	48,734	1.38	48,734	
	Evergreen Aviation Technologies Corp.	-	Financial asset at FVTPL	395	43,055	0.11	43,055	
	Power Win Taiwan Co., Ltd.	-	Financial asset at FVTPL	291	16,579	1.26	16,579	
	Revivegen Environmental Technology Co., Ltd.	-	Financial asset at FVTPL	180	6,968	0.38	6,968	
	Chenfeng Optronics Corporation	-	Financial asset at FVTPL	1,000	32,020	1.06	32,020	
	Arizon RFID Technology (Cayman) Co., Ltd.	-	Financial asset at FVTPL	127	18,352	0.17	18,352	
	Pharmosa Biopharm Inc.	-	Financial asset at FVTPL	131	10,516	0.11	10,516	
	InnoCare Optoelectronics Corporation	-	Financial asset at FVTPL	20	1,592	0.05	1,592	
	Handa Pharmaceuticals, Inc.	-	Financial asset at FVTPL	124	20,093	0.09	20,093	
	Energenesis Biomedical CO., LTD	-	Financial asset at FVTPL	25	1,470	0.03	1,470	
	Hua Hsu Silicon Materials Co., Ltd.	-	Financial asset at FVTPL	18	4,589	0.03	4,589	
	Coremax Corporation	-	Financial asset at FVTPL	100	6,290	0.08	6,290	
	Teclison Corporation	-	Financial asset at FVTPL	125	32,445	0.70	32,445	
	Mesh Cooperative Ventures Fund LP	-	Financial asset at FVTOCI	24,000	24,995	2.46	24,995	

Note 1: The holding company is registered in Hong Kong. The registered capital stock and number of stocks are in Hong Kong dollars and Hong Kong stocks.

Note 2: The securities are transferred within the group and are listed in the financial asset at FVTOCI when they are combined.

(Concluded)

TABLE 2

O-BANK AND SUBSIDIARIES

NON-PERFORMING LOANS AND ACCOUNTS RECEIVABLE
MARCH 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, %)

Period			March 31, 2024					March 31, 2023				
Items			Nonperforming Loans (Note 1)	Outstanding Loan Balance	Ratio of Nonperforming Loans (Note 2)	Allowance for Possible Losses	Coverage Ratio (Note 3)	Nonperforming Loans (Note 1)	Outstanding Loan Balance	Ratio of Nonperforming Loans (Note 2)	Allowance for Possible Losses	Coverage Ratio (Note 3)
Corporate banking	Secured		$ 148,776	$ 102,231,647	0.15%	$ 1,433,109	963.27%	$ 392,513	$ 91,938,347	0.43%	$ 1,350,235	344.00%
	Unsecured		5,012	79,389,177	0.01%	1,086,201	21,672.01%	234,275	73,064,385	0.32%	1,139,692	486.48%
Consumer banking	Housing mortgage (Note 4)		8,636	10,433,554	0.08%	157,048	1,818.53%	18,941	10,717,069	0.18%	162,541	858.14%
	Cash card		-	-	-	-	-	-	-	-	-	-
	Small-scale credit loans (Note 5)		-	3,191,856	-	52,733	-	-	2,650,302	-	33,290	-
	Other (Note 6)	Secured	1,773	5,668,749	0.03%	57,397	3,237.28%	2,823	4,509,280	0.06%	45,693	1,618.60%
		Unsecured	27,008	14,908,821	0.18%	254,573	942.58%	15,241	11,499,984	0.13%	167,033	1,095.95%
Total lending business			191,205	215,823,804	0.09%	3,041,061	1,590.47%	663,793	194,379,367	0.34%	2,898,484	436.65%
			Nonperforming Receivables	Outstanding Receivable Balance	Ratio of Nonperforming Receivables	Allowance for Possible Losses	Coverage Ratio	Nonperforming Receivables	Outstanding Receivable Balance	Ratio of Nonperforming Receivables	Allowance for Possible Losses	Coverage Ratio
Credit cards			-	-	-	-	-	-	-	-	-	-
Factored accounts receivable without recourse (Note 7)			-	355,111	-	3,918	-	-	987,929	-	10,744	-

	Exempt from Reporting the Total Balance of Overdue Loans	Exempt from Reporting the Total Balance of Overdue Account Receivable	Exempt from Reporting the Total Balance of Overdue Loans	Exempt from Reporting the Total Balance of Overdue Account Receivable
Exempt amount - due to debt negotiation and performance (Note 8)	$ -	$ -	$ -	$ -
Debt settlement plan and rehabilitative program (Note 9)	129,513	-	119,797	-
Total	129,513	-	119,797	-

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

Note 2: Ratio of Nonperforming loans: Nonperforming loans ÷ Outstanding loan balance.
Ratio of Nonperforming credit card receivables: Nonperforming credit card receivables ÷ Outstanding credit card receivables balance.

Note 3: Coverage ratio of loans: Allowance for possible losses for loans ÷ Nonperforming loans. Coverage ratio of credit card receivables: Allowance for possible losses for credit card receivables ÷ Nonperforming credit card receivables.

Note 4: The mortgage loan is for house purchase or renovation and is fully secured by housing that is purchased (owned) by the borrower, the spouse or the minor children of the borrowers.

Note 5: Small-amount pure credit loans that must be governed by the Bank of China Ref. No. 09440010950 dated December 19, 2005 and are not credit cards or cash cards.

Note 6: "Others" in consumer finance refers to other secured or unsecured consumer loans that are not "residential property mortgage", "cash cards", "small amount pure credit loans", excluding credit cards.

Note 7: As required by the Banking Bureau in its letter dated July 19, 2005 (Ref. No. 0945000494), factored accounts receivable without recourse are reported as non-performing receivables within three months after the factoring or insurance companies refuse to indemnify banks for any liabilities on these accounts.

(Continued)

Note 8: According to the letter of the Bank of China Ref. No. 09510001270 dated April 25, 2006, the letters of credit and the information disclosure requirements as required by the "Unsecured Debt Negotiation Mechanism for Consumer Financial Cases of the Republic of China Banking Association" should include supplemental disclosures of related matters.

Note 9: According to the letter of the Bank of China Ref. No. 09700318940 dated September 15, 2008 and the letter of the Bank of China Ref. No. 10500134790 date September 20, 2016 regarding the "Consumer Debt Clearance Regulations" for pre-negotiation, rehabilitation and liquidation cases, credit reporting and the information disclosure requirements should include supplemental disclosures of related matters.

(Concluded)

TABLE 3

O-BANK AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars, Renminbi and U.S. Dollars)

O-Bank

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital (Note 1)	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2024 (Note 1)	Investment Flows (Note 1)		Accumulated Outflow of Investment from Taiwan as of March 31, 2024 (Note 1)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1)	Carrying Amount as of March 31, 2024 (Note 1)	Accumulated Inward Remittance of Earnings as of March 31, 2024
					Outflow	Inflow					
Suzhou Dio F&B Management Co., Ltd.	Coffee retailing	$ 463,782 (US$ 14,491)	Note 2 a.	$ 64,010 (US$ 2,000)	$ -	$ -	$ 64,010 (US$ 2,000)	2.60	$ -	$ 26,887	$ -
Ou Suomiluo Food Co., Ltd.	Coffee retailing	44,299 (RMB 10,000)	Note 2 a.	16,002 (US$ 500)	-	-	16,002 (US$ 500)	2.09	-	6,722	-
Beijing Shengzhuang Co., Ltd.	Cosmetic OEM	240,541 (RMB 54,300)	Note 2 a.	64,010 (US$ 2,000)	-	-	64,010 (US$ 2,000)	2.175	-	-	-
Beijing Sunshine Consumer Finance Co., Ltd.	Financing business	4,429,860 (RMB 1,000,000)	Note 2 b.	885,972 (RMB 200,000)	-	-	885,972 (RMB 200,000)	20.00	31,505	1,201,556	-

Accumulated Investment in Mainland China as of March 31, 2024 (Note 1)	Investment Amounts Authorized by Investment Commission, MOEA (Note 1)	Upper Limit on Investment
$144,022 (US$4,500) $885,972 (RMB200,000)	$144,022 (US$4,500) $885,972 (RMB200,000)	Note 3

(Continued)

IBT Management Corp.

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital (Note 1)	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2024 (Notes 1 and 5)	Investment Flows (Note 1)		Accumulated Outflow of Investment from Taiwan as of March 31, 2024 (Note 1)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1)	Carrying Amount as of March 31, 2024 (Note 1)	Accumulated Inward Remittance of Earnings as of March 31, 2024
					Outflow	Inflow					
Shanghai Douniushi F&B Management Co., Ltd.	Restaurant retailing	$ 152,343 (US$ 4,760)	Note 2 a.	$ 2,593 (US$ 81)	$ -	$ -	$ 2,593 (US$ 81)	2.17	$ -	$ 843	$ -
Topping Cuisine International Holding, Ltd.	Food retailing	241,774 (US$ 7,554)	Note 2 a.	15,202 (US$ 475)	-	-	15,202 (US$ 475)	2.17	-	4,943	-
Shanghai Dou Mao Food Management Co., Ltd.	Trading	6,401 (US$ 200)	Note 2 a.	224 (US$ 7)	-	-	224 (US$ 7)	2.17	-	73	-
Beauty Essential International, Ltd.	Cosmetic retailing	96,014 (US$ 3,000)	Note 2 a.	22,019 (US$ 688)	-	-	22,019 (US$ 688)	2.41	-	24,876	-
Meike information technology	Cosmetic retailing information technology	86,413 (US$ 2,700)	Note 2 a.	928 (US$ 29)	-	-	928 (US$ 29)	0.44	-	1,049	-
Shinlien Chemical Industrial Jiangsu Co.	Production of glass materials	25,603,840 (US$ 800,000)	Note 2 a.	86,381 (US$ 2,699)	-	-	86,381 (US$ 2,699)	0.40	-	117,762	-
Shinlien Brine Huaian Co.	Production of glass materials	1,024,154 (US$ 32,000)	Note 2 a.	7,329 (US$ 229)	-	-	7,329 (US$ 229)	0.46	-	9,992	-
Arizon RFID Technology Co., Ltd.	RFID antenna design and manufacturing, RFID electronic label packaging, RFID reader design and manufacturing	860,677 (RMB 194,290)	Note 2 a.	10,370 (US$ 324)	-	6,689 (US$ 209)	10,370 (US$ 324)	0.17	-	18,641	-

Accumulated Investment in Mainland China as of March 31, 2024 (Note 1)	Investment Amounts Authorized by Investment Commission, MOEA (Note 1)	Upper Limit on Investment
$145,046 (US$4,532)	$151,735 (US$4,741)	$198,295 (Note 4)

(Continued)

IBT VII Venture Capital Co., Ltd.

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital (Note 1)	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2024 (Notes 1 and 5)	Investment Flows (Note 1)		Accumulated Outflow of Investment from Taiwan as of March 31, 2024 (Note 1)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1)	Carrying Amount as of March 31, 2024 (Note 1)	Accumulated Inward Remittance of Earnings as of March 31, 2024
					Outflow	Inflow					
Shihlien Chemical Industrial Jiangsu Co.	Production of glass materials	$ 25,603,840 (US$ 800,000)	Note 2 a.	$ 148,918 (US$ 4,653)	$ -	$ -	$ 148,918 (US$ 4,653)	0.66	$ -	$ 198,297	$ -
Huaian Shiyuan Cailu Co., Ltd.	Production of glass materials	1,024,154 (US$ 32,000)	Note 2 a.	10,338 (US$ 323)	-	-	10,338 (US$ 323)	0.75	-	12,657	-
Arizon RFID Technology Co., Ltd.	RFID antenna design and manufacturing, RFID electronic label packaging, RFID reader design and manufacturing	860,677 (RMB 194,290)	Note 2 a.	10,210 (US$ 319)	-	-	10,210 (US$ 319)	0.17	-	18,352	-

Accumulated Investment in Mainland China as of March 31, 2024 (Note 1)	Investment Amounts Authorized by Investment Commission, MOEA (Note 1)	Upper Limit on Investment
$169,466 (US$5,295)	$176,315 (US$5,509)	$623,533 (Note 4)

Note 1: The amount is after the exchange rate adjustment for the year ended March 31, 2024.

Note 2: There were three investment approaches stated as follows.

a. Indirect investment in mainland China via investing in a current company in a third country. (Dio Investment, Ltd., Shengzhuang Holding, Ltd., Shihlien China Holding Co., Limited, Topping Cusine International Holding, Ltd., Beauty Essential International, Ltd., Arizon RFID Technology (Cayman) Co., Ltd., and YFY RFID CO. LIMITED (HK)).

b. Direct investment in mainland China.

c. Others.

Note 3: The Bank got the recognition from the Industrial Development Bureau, Industry of Economic Affairs in March 2023, so the Bank is not under "the regulation of investing or technology-cooperation in China".

Note 4: The original investment is within the limit.

Note 5: IBT Management Corp. and IBT VII Venture Capital Co., Ltd. has obtained the verification letter of part of investment from the Investment Review Committee of the Ministry of Economic Affairs, and the remittance amount is mainly based on the verification letter.

(Concluded)

TABLE 4

O-BANK AND SUBSIDIARIES

BUSINESS RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS AMONG THE BANK AND SUBSIDIARIES
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Transaction Corporation	Counterparty	Nature of Relationship (Note 2)	Description of Transactions			
				Financial Statement Account	Amounts	Trading Terms	Percentage of Total Revenue or Total Assets
0	The Bank	IBTM and IBTVC7	a	Deposits	$ 13,207	Note 3	-
0	The Bank	IBTM and IBTVC7	a	Interest expense	83	Note 3	-
0	The Bank	IBTM and CBF	a	Other net revenue other than interest	3,673	Note 3	0.12
0	The Bank	IBTM and IBTVC7	a	Payables	67	Note 3	-
1	IBTM	The Bank	b	Cash and cash equivalents	4,267	Note 3	-
1	IBTM	The Bank	b	Receivables	3	Note 3	-
1	IBTM	The Bank	b	Interest revenue	16	Note 3	-
1	IBTM	The Bank	b	Other operating and administrative expenses	184	Note 3	0.01
1	IBTM	The Bank	b	Lease interest expense	10	Note 3	-
1	IBTM	IBTVC7	c	Consultancy service income	3,720	Note 3	0.12
2	CBF	The Bank	b	Other operating and administrative expenses	3,414	Note 3	0.11
2	CBF	The Bank	b	Lease interest expense	41	Note 3	-
3	IBTVC7	The Bank	b	Cash and cash equivalents	8,940	Note 3	-
3	IBTVC7	The Bank	b	Interest revenue	67	Note 3	-
3	IBTVC7	The Bank	b	Receivables	64	Note 3	-
3	IBTVC7	IBTM	c	Other operating and administrative expenses	3,720	Note 3	0.12

(Continued)

Note 1: Information about the business transactions between the Bank and its subsidiaries were classified as follows:

a. 0 for the Bank.
b. Subsidiaries are numbered sequentially starting from the number 1.

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

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

Note 3: The terms for the transactions between the Bank and related parties are similar to those with unrelated parties.

(Concluded)

TABLE 5

O-BANK AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
MARCH 31, 2024

Name of Major Shareholders	Shares	
	Number of Shares	Percentage of Ownership (%)
Ming Shan Investment Co., Ltd.	386,271,554	12.74
Yi Chang Investment Co., Ltd.	292,340,997	9.64
Taixuan Investment Co., Ltd.	287,135,501	9.47

Note 1: The major shareholder's information on this table is on the last business day at the end of the quarter from the Taiwan Central Depository and Clearing Co., Ltd. The shareholding included shares that the company has completed the delivery of the common stock and preferred stock without physical registration (including treasury shares) of more than 5%. The share capital recorded in the Bank's consolidated financial report and the actual number of shares has been actually delivered without physical registration. Differences, if any, may be due to the basis of preparation and calculation.

Note 2: If shareholders transfer the shareholding to a trust, the trustee will open the trust account to separate the account. Shareholders' handling of insider shareholdings with more than 10% of their shares shall be in accordance with the Securities Exchange Act. However, their shareholdings include their own shares plus their delivery to the trust and the use of decision-making shares in the trust property. Information on insider equity declaration refers to the Public Information Observatory.

Note 3: The number of shares are the total number of common stocks and preferred stocks.

Note 4: Shareholding ratio (%) = The total number of shares held by the shareholder ÷ The total number of shares that have been delivered without physical registration. It is calculated to the second decimal place and rounded off after the third decimal place.