

**Taishin Financial Holding Co., Ltd. and
Subsidiaries**

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2024 and 2023 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Taishin Financial Holding Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Taishin Financial Holding Co., Ltd. (“Taishin Financial Holding”) and its subsidiaries (collectively, the “Group”) as of September 30, 2024 and 2023, the related consolidated statements of comprehensive income for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, the consolidated statements of changes in equity and cash flows for the nine 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 Financial Holding Companies, the Regulations Governing the Preparation of Financial Reports by Public Banks, the Regulations Governing the Preparation of Financial Reports by Securities Firms, the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China (ROC). Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2024 and 2023, its consolidated financial performance for the three months ended September 30, 2024 and 2023 and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, the Regulations Governing the Preparation of Financial Reports by Public Banks, the Regulations Governing the Preparation of Financial Reports by Securities Firms, the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the ROC.

The engagement partners on the reviews resulting in this independent auditors’ review report are Han-Ni Fang and Ching-Cheng Yang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 28, 2024

Notice to Readers

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

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 ROC. 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.

TAISHIN FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	%	Amount	%	Amount	%
Cash and cash equivalents (Note 7)	\$ 29,537,379	1	\$ 29,232,521	1	\$ 37,234,576	1
Due from the Central Bank and call loans to banks (Note 8)	185,532,585	6	109,924,871	4	97,191,256	3
Financial assets at fair value through profit or loss (FVTPL) (Note 9)	190,802,689	6	200,978,801	7	211,875,561	7
Financial assets at fair value through other comprehensive income (FVTOCI) (Note 10)	145,668,606	4	147,149,191	5	133,270,249	5
Investments in debt instruments at amortized cost (Note 11)	736,660,025	22	734,631,003	24	730,800,581	24
Securities purchased under resell agreements	3,203,050	-	21,359,056	1	16,306,160	1
Receivables, net (Notes 12 and 13)	190,655,419	6	165,317,191	5	172,154,031	6
Loans, net (Note 13)	1,700,966,339	51	1,524,822,536	50	1,486,436,069	50
Reinsurance contract assets, net	649,217	-	598,394	-	557,784	-
Investments accounted for using equity method (Note 14)	516,094	-	527,714	-	494,023	-
Other financial assets, net (Notes 12, 13, 15 and 31)	52,550,946	2	39,997,264	1	35,961,458	1
Investment properties, net (Note 16)	5,496,795	-	4,093,509	-	3,867,626	-
Property and equipment, net (Note 17)	25,443,669	1	25,700,393	1	25,689,222	1
Right-of-use assets, net (Note 18)	2,156,894	-	2,291,375	-	2,366,706	-
Intangible assets, net (Note 19)	3,602,039	-	3,565,321	-	3,586,004	-
Deferred tax assets	7,442,181	-	7,800,552	-	6,704,760	-
Other assets, net (Note 20)	<u>19,533,345</u>	<u>1</u>	<u>17,961,678</u>	<u>1</u>	<u>24,766,958</u>	<u>1</u>
TOTAL	<u>\$ 3,300,417,272</u>	<u>100</u>	<u>\$ 3,035,951,370</u>	<u>100</u>	<u>\$ 2,989,263,024</u>	<u>100</u>
LIABILITIES AND EQUITY						
Deposits from the Central Bank and banks (Note 21)	\$ 41,591,100	1	\$ 17,071,307	1	\$ 16,768,302	1
Financial liabilities at fair value through profit or loss (FVTPL) (Note 9)	47,336,070	1	65,303,086	2	69,805,976	2
Securities sold under repurchase agreements	88,059,091	3	85,658,987	3	85,223,603	3
Commercial papers issued, net (Note 22)	45,978,302	1	30,223,005	1	28,612,616	1
Payables (Note 23)	56,585,737	2	39,299,694	1	45,896,502	2
Current tax liabilities	2,966,773	-	3,907,323	-	2,425,046	-
Deposits and remittances (Note 24)	2,292,773,543	70	2,102,513,646	69	2,053,251,743	69
Bonds payable (Note 25)	65,237,977	2	68,144,602	2	68,113,250	2
Other borrowings (Note 26)	11,420,030	-	10,387,601	1	10,782,084	-
Provisions (Notes 27 and 28)	261,633,809	8	241,426,541	8	240,898,394	8
Other financial liabilities (Notes 29 and 31)	147,173,287	5	141,856,704	5	145,286,824	5
Lease liabilities (Note 18)	2,234,379	-	2,405,852	-	2,478,590	-
Deferred tax liabilities	1,559,961	-	1,383,817	-	1,797,088	-
Other liabilities (Note 30)	<u>9,993,213</u>	<u>-</u>	<u>9,806,732</u>	<u>-</u>	<u>8,285,528</u>	<u>-</u>
Total liabilities	<u>3,074,543,272</u>	<u>93</u>	<u>2,819,388,897</u>	<u>93</u>	<u>2,779,625,546</u>	<u>93</u>
EQUITY ATTRIBUTABLE TO OWNERS OF PARENT (Note 33)						
Share capital						
Ordinary shares	129,761,443	4	124,770,618	4	124,770,618	4
Preferred shares	11,000,000	-	11,000,000	1	11,000,000	1
Capital surplus	38,197,778	1	38,197,778	1	38,197,778	1
Retained earnings						
Legal reserve	18,439,029	1	16,926,942	1	16,926,942	1
Special reserve	1,146,190	-	10,920,515	-	10,920,515	-
Unappropriated earnings	26,736,398	1	15,513,819	-	13,046,770	-
Other equity	<u>566,414</u>	<u>-</u>	<u>(794,452)</u>	<u>-</u>	<u>(5,253,037)</u>	<u>-</u>
Total equity attributable to owners of parent	225,847,252	7	216,535,220	7	209,609,586	7
NON-CONTROLLING INTERESTS	<u>26,748</u>	<u>-</u>	<u>27,253</u>	<u>-</u>	<u>27,892</u>	<u>-</u>
Total equity	<u>225,874,000</u>	<u>7</u>	<u>216,562,473</u>	<u>7</u>	<u>209,637,478</u>	<u>7</u>
TOTAL	<u>\$ 3,300,417,272</u>	<u>100</u>	<u>\$ 3,035,951,370</u>	<u>100</u>	<u>\$ 2,989,263,024</u>	<u>100</u>

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

TAISHIN FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
INTEREST INCOME (Note 34)	\$ 22,378,598	95	\$ 19,278,301	117	\$ 64,838,976	98	\$ 54,361,680	102
INTEREST EXPENSES (Note 34)	<u>(13,360,188)</u>	<u>(57)</u>	<u>(11,546,868)</u>	<u>(70)</u>	<u>(38,927,877)</u>	<u>(59)</u>	<u>(31,831,783)</u>	<u>(60)</u>
NET INTEREST INCOME (Note 34)	<u>9,018,410</u>	<u>38</u>	<u>7,731,433</u>	<u>47</u>	<u>25,911,099</u>	<u>39</u>	<u>22,529,897</u>	<u>42</u>
NET INCOME OTHER THAN NET INTEREST INCOME								
Net service fee and commission income (Note 35)	3,287,207	14	3,204,383	19	8,939,293	14	8,412,317	16
Net income from insurance operations (Note 36)	6,492,036	28	3,376,721	21	19,286,203	29	12,887,222	24
Gain (loss) on financial assets and liabilities at FVTPL (Note 37)	546,577	2	(1,903,964)	(12)	6,788,112	10	5,220,992	10
Realized gain (loss) on financial assets at FVTOCI (Note 38)	2,039,798	9	547,125	3	2,486,040	4	646,227	1
Gain (loss) on derecognition of financial assets at amortized cost (Note 11)	7,602	-	497	-	13,134	-	1,276	-
Foreign exchange gain (loss)	(910,150)	(4)	2,804,690	17	2,196,108	3	5,109,774	10
(Impairment loss on assets) reversal of impairment loss on assets (Notes 10, 11 and 20)	(31,146)	-	7,055	-	(38,821)	-	(3,972)	-
Share of profit (loss) of associates accounted for using equity method (Note 14)	14,835	-	(106)	-	34,633	-	501	-
Gain (loss) on reclassification using the overlay approach (Note 9)	2,388,206	10	779,621	5	126,868	-	(1,936,286)	(4)
Net other non-interest income								
Net other miscellaneous income (loss)	<u>632,319</u>	<u>3</u>	<u>(73,171)</u>	<u>-</u>	<u>427,140</u>	<u>1</u>	<u>343,610</u>	<u>1</u>
Net income other than net interest income	<u>14,467,284</u>	<u>62</u>	<u>8,742,851</u>	<u>53</u>	<u>40,258,710</u>	<u>61</u>	<u>30,681,661</u>	<u>58</u>
NET REVENUE AND GAINS	<u>23,485,694</u>	<u>100</u>	<u>16,474,284</u>	<u>100</u>	<u>66,169,809</u>	<u>100</u>	<u>53,211,558</u>	<u>100</u>
BAD DEBT EXPENSES, COMMITMENTS AND GUARANTEES LIABILITIES PROVISION (Notes 12, 13 and 27)	<u>(575,308)</u>	<u>(3)</u>	<u>(255,137)</u>	<u>(1)</u>	<u>(1,482,513)</u>	<u>(2)</u>	<u>(1,067,084)</u>	<u>(2)</u>
NET CHANGES IN INSURANCE LIABILITY RESERVE (Note 28)	<u>(6,137,917)</u>	<u>(26)</u>	<u>(3,635,194)</u>	<u>(22)</u>	<u>(17,845,899)</u>	<u>(27)</u>	<u>(13,066,121)</u>	<u>(25)</u>

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TAISHIN FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING EXPENSES								
Employee benefits expenses (Note 39)	\$ (5,318,671)	(23)	\$ (4,648,565)	(28)	\$ (15,339,377)	(23)	\$ (13,603,568)	(25)
Depreciation and amortization expenses (Note 40)	(715,116)	(3)	(693,770)	(4)	(2,105,280)	(3)	(2,033,048)	(4)
Other general and administrative expenses	<u>(3,439,039)</u>	<u>(14)</u>	<u>(3,049,630)</u>	<u>(19)</u>	<u>(9,642,427)</u>	<u>(15)</u>	<u>(8,586,823)</u>	<u>(16)</u>
Total operating expenses	<u>(9,472,826)</u>	<u>(40)</u>	<u>(8,391,965)</u>	<u>(51)</u>	<u>(27,087,084)</u>	<u>(41)</u>	<u>(24,223,439)</u>	<u>(45)</u>
INCOME BEFORE INCOME TAX								
	7,299,643	31	4,191,988	26	19,754,313	30	14,854,914	28
INCOME TAX EXPENSE (Note 41)								
	<u>(1,216,162)</u>	<u>(5)</u>	<u>(972,987)</u>	<u>(6)</u>	<u>(3,094,125)</u>	<u>(5)</u>	<u>(2,751,226)</u>	<u>(5)</u>
NET INCOME								
	<u>6,083,481</u>	<u>26</u>	<u>3,219,001</u>	<u>20</u>	<u>16,660,188</u>	<u>25</u>	<u>12,103,688</u>	<u>23</u>
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss								
Share of other comprehensive income of associates accounted for using equity method	-	-	-	-	(88)	-	-	-
Changes in the fair value attributable to changes in the credit risk of financial liabilities designated as at FVTPL								
	23,190	-	16,401	-	(117,230)	-	(82,218)	-
Unrealized gain (loss) on investments in equity instruments designated as at FVTOCI								
	(208,674)	(1)	(1,211,988)	(7)	929,671	1	460,885	1
Items that will be reclassified subsequently to profit or loss								
Exchange differences on translation of foreign financial statements								
	42,172	-	72,774	-	109,411	-	4,205	-
Unrealized gain (loss) on investments in debt instruments at FVTOCI								
	2,316,445	10	(362,061)	(2)	1,423,372	2	288,654	-
Impairment loss (reversal of impairment loss) from investments in debt instruments at FVTOCI								
	6,502	-	(1,976)	-	8,789	-	(2,305)	-

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TAISHIN FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
Other comprehensive income (loss) on reclassification using the overlay approach	\$ (2,388,206)	(10)	\$ (779,621)	(5)	\$ (126,868)	-	\$ 1,936,286	4
Income tax relating to items that will be reclassified subsequently to profit or loss	<u>(124,427)</u>	<u>(1)</u>	<u>28,747</u>	<u>-</u>	<u>(134,699)</u>	<u>-</u>	<u>(12,742)</u>	<u>-</u>
Other comprehensive income (loss) for the period, net of tax	<u>(332,998)</u>	<u>(2)</u>	<u>(2,237,724)</u>	<u>(14)</u>	<u>2,092,358</u>	<u>3</u>	<u>2,592,765</u>	<u>5</u>
TOTAL COMPREHENSIVE INCOME (LOSS)	<u>\$ 5,750,483</u>	<u>24</u>	<u>\$ 981,277</u>	<u>6</u>	<u>\$ 18,752,546</u>	<u>28</u>	<u>\$ 14,696,453</u>	<u>28</u>
NET INCOME								
ATTRIBUTABLE TO:								
Owners of parent	\$ 6,083,659	26	\$ 3,218,577	20	\$ 16,659,662	25	\$ 12,101,534	23
Non-controlling interests	<u>(178)</u>	<u>-</u>	<u>424</u>	<u>-</u>	<u>526</u>	<u>-</u>	<u>2,154</u>	<u>-</u>
	<u>\$ 6,083,481</u>	<u>26</u>	<u>\$ 3,219,001</u>	<u>20</u>	<u>\$ 16,660,188</u>	<u>25</u>	<u>\$ 12,103,688</u>	<u>23</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of parent	\$ 5,750,661	24	\$ 980,853	6	\$ 18,752,020	28	\$ 14,694,299	28
Non-controlling interests	<u>(178)</u>	<u>-</u>	<u>424</u>	<u>-</u>	<u>526</u>	<u>-</u>	<u>2,154</u>	<u>-</u>
	<u>\$ 5,750,483</u>	<u>24</u>	<u>\$ 981,277</u>	<u>6</u>	<u>\$ 18,752,546</u>	<u>28</u>	<u>\$ 14,696,453</u>	<u>28</u>
EARNINGS PER SHARE								
(Note 42)								
Basic	<u>\$ 0.43</u>		<u>\$ 0.21</u>		<u>\$ 1.17</u>		<u>\$ 0.82</u>	
Diluted	<u>\$ 0.43</u>		<u>\$ 0.21</u>		<u>\$ 1.17</u>		<u>\$ 0.82</u>	

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

(Concluded)

TAISHIN FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

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

	Equity Attributable to Owners of Parent									Other Equity					Non-controlling Interests	Total Equity
	Share Capital		Capital Surplus				Retained Earnings			Exchange Differences on Translation of Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at FVTOCI	Changes in Fair Value Attributable to Changes in the Credit Risk of Financial Liabilities at FVTPL	Other Comprehensive Income (Loss) on Reclassification Using the Overlay Approach			
	Ordinary Shares	Preferred Shares	Additional Paid-in Capital in Excess of Par	Treasury Shares Transactions	Share-based Compensation	Others	Legal Reserve	Special Reserve	Unappropriated Earnings							
BALANCE AT JANUARY 1, 2023	\$ 119,741,476	\$ 11,000,000	\$ 36,066,458	\$ 2,075,475	\$ 52,632	\$ 3,213	\$ 15,244,071	\$ 8,698,118	\$ 17,279,705	\$ (138,234)	\$ (3,800,290)	\$ 282,149	\$ (3,637,143)	\$ 26,182	\$ 202,893,812	
Appropriation of 2022 earnings																
Legal reserve appropriated	-	-	-	-	-	-	1,682,871	-	(1,682,871)	-	-	-	-	-	-	
Special reserve appropriated	-	-	-	-	-	-	-	7,251,539	(7,251,539)	-	-	-	-	-	-	
Cash dividends of ordinary shares	-	-	-	-	-	-	-	-	(6,106,815)	-	-	-	-	-	(6,106,815)	
Cash dividends of preferred shares	-	-	-	-	-	-	-	-	(1,845,528)	-	-	-	-	-	(1,845,528)	
Stock dividends of ordinary shares	5,029,142	-	-	-	-	-	-	-	(5,029,142)	-	-	-	-	-	-	
Reversal of the special reserve	-	-	-	-	-	-	-	(5,029,142)	5,029,142	-	-	-	-	-	-	
Net income for the nine months ended September 30, 2023	-	-	-	-	-	-	-	-	12,101,534	-	-	-	-	2,154	12,103,688	
Other comprehensive income (loss) for the nine months ended September 30, 2023, net of tax	-	-	-	-	-	-	-	-	-	4,205	734,469	(82,218)	1,936,309	-	2,592,765	
Total comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	-	-	-	-	12,101,534	4,205	734,469	(82,218)	1,936,309	2,154	14,696,453	
Disposal of investments in equity instruments designated as at FVTOCI	-	-	-	-	-	-	-	-	552,284	-	(552,284)	-	-	-	-	
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(444)	(444)	
BALANCE AT SEPTEMBER 30, 2023	\$ 124,770,618	\$ 11,000,000	\$ 36,066,458	\$ 2,075,475	\$ 52,632	\$ 3,213	\$ 16,926,942	\$ 10,920,515	\$ 13,046,770	\$ (134,029)	\$ (3,618,105)	\$ 199,931	\$ (1,700,834)	\$ 27,892	\$ 209,637,478	
BALANCE AT JANUARY 1, 2024	\$ 124,770,618	\$ 11,000,000	\$ 36,066,458	\$ 2,075,475	\$ 52,632	\$ 3,213	\$ 16,926,942	\$ 10,920,515	\$ 15,513,819	\$ (184,525)	\$ (986,719)	\$ 161,394	\$ 215,398	\$ 27,253	\$ 216,562,473	
Appropriation of 2023 earnings																
Legal reserve appropriated	-	-	-	-	-	-	1,512,087	-	(1,512,087)	-	-	-	-	-	-	
Cash dividends of ordinary shares	-	-	-	-	-	-	-	-	(7,486,237)	-	-	-	-	-	(7,486,237)	
Cash dividends of preferred shares	-	-	-	-	-	-	-	-	(1,953,751)	-	-	-	-	-	(1,953,751)	
Stock dividends of ordinary shares	4,990,825	-	-	-	-	-	-	-	(4,990,825)	-	-	-	-	-	-	
Reversal of the special reserve	-	-	-	-	-	-	-	(9,774,325)	9,774,325	-	-	-	-	-	-	
Net income for the nine months ended September 30, 2024	-	-	-	-	-	-	-	-	16,659,662	-	-	-	-	526	16,660,188	
Other comprehensive income (loss) for the nine months ended September 30, 2024, net of tax	-	-	-	-	-	-	-	-	(88)	109,411	2,239,970	(117,230)	(139,705)	-	2,092,358	
Total comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	-	-	-	-	16,659,574	109,411	2,239,970	(117,230)	(139,705)	526	18,752,546	
Disposal of investments in equity instruments designated as at FVTOCI	-	-	-	-	-	-	-	-	731,580	-	(731,580)	-	-	-	-	
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,031)	(1,031)	
BALANCE AT SEPTEMBER 30, 2024	\$ 129,761,443	\$ 11,000,000	\$ 36,066,458	\$ 2,075,475	\$ 52,632	\$ 3,213	\$ 18,439,029	\$ 1,146,190	\$ 26,736,398	\$ (75,114)	\$ 521,671	\$ 44,164	\$ 75,693	\$ 26,748	\$ 225,874,000	

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

TAISHIN FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before income tax	\$ 19,754,313	\$ 14,854,914
Adjustments:		
Adjustments for reconciliation of profit or loss		
Depreciation expenses	1,635,782	1,605,390
Amortization expenses	469,498	427,658
Provisions for bad debts expenses, commitments and guarantee liabilities	1,482,513	1,067,084
Net loss (gain) on financial assets and liabilities at FVTPL	(6,788,112)	(5,220,992)
Net loss (gain) on financial assets and liabilities at FVTOCI	(2,486,040)	(646,227)
Interest expenses	38,927,877	31,831,783
Loss (gain) on derecognition of financial assets at amortized cost	(13,134)	(1,276)
Interest income	(64,838,976)	(54,361,680)
Net change in insurance liabilities	19,879,535	16,450,406
Net change in other provisions	250,459	(16,885)
Share of profit of associates accounted for using equity method	(34,633)	(501)
(Gain) loss on reclassification using the overlay approach	(126,868)	1,936,286
Impairment loss on financial assets	38,821	3,972
Other adjustments	(2,237)	34,333
Changes in operating assets and liabilities		
(Increase) decrease in due from the Central Bank and call loans to banks	(26,187,722)	(8,702,983)
(Increase) decrease in financial assets at FVTPL	50,644,242	(25,371,488)
(Increase) decrease in financial assets at FVTOCI	5,394,322	9,667,961
(Increase) decrease in financial assets in debt instruments at amortized cost	(595,989)	(86,102,112)
(Increase) decrease in securities purchased under resell agreements	-	880,818
(Increase) decrease in receivables	(23,832,806)	(16,415,190)
(Increase) decrease in loans	(177,638,912)	(71,253,828)
(Increase) decrease in reinsurance contract assets	16,842	33,403
(Increase) decrease in other financial assets	(13,227,375)	470,457
(Increase) decrease in other assets	(1,368,148)	(7,810,359)
Increase (decrease) in deposits from the Central Bank and banks	414	(2,561,056)
Increase (decrease) in financial liabilities at FVTPL	(53,824,519)	(14,539,982)
Increase (decrease) in securities sold under repurchase agreements	2,400,104	661,021
Increase (decrease) in payables	15,199,111	11,452,221
Increase (decrease) in deposits and remittances	190,259,897	138,585,618
Increase (decrease) in provisions	(63,015)	(64,926)
Increase (decrease) in other financial liabilities	5,316,583	19,670,970
Increase (decrease) in other liabilities	(43,228)	1,126,328
Cash generated from (used in) operations	(19,401,401)	(42,308,862)
Interest received	64,150,087	51,125,200

(Continued)

TAISHIN FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2024	2023
Dividends received	\$ 2,116,557	\$ 2,363,328
Interest paid	(36,916,647)	(28,310,135)
Income taxes refund	6	186,784
Income taxes paid	<u>(3,580,957)</u>	<u>(806,133)</u>
Net cash generated from (used in) operating activities	<u>6,367,645</u>	<u>(17,749,818)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments accounted for using equity method	-	(160,000)
Acquisition of property and equipment	(689,036)	(635,671)
Proceeds from disposal of property and equipment	13,804	25,251
Acquisition of intangible assets	(499,884)	(501,424)
Acquisition of investment properties	<u>(1,452,207)</u>	<u>(99,504)</u>
Net cash generated from (used in) investing activities	<u>(2,627,323)</u>	<u>(1,371,348)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in due to the Central Bank and banks	24,519,379	1,115,825
Increase in commercial papers payable	15,808,000	12,573,000
Repayments of bank notes payable	(3,000,000)	-
Increase in other borrowings	626,508	-
Decrease in other borrowings	-	(1,464,254)
Payments of lease liabilities	(685,823)	(599,030)
Cash dividends paid	(9,439,988)	(7,952,343)
Change in non-controlling interests	<u>(1,031)</u>	<u>(444)</u>
Net cash generated from (used in) financing activities	<u>27,827,045</u>	<u>3,672,754</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	<u>1,477</u>	<u>(24,105)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	31,568,844	(15,472,517)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		
	<u>74,140,886</u>	<u>80,598,219</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		
	<u>\$ 105,709,730</u>	<u>\$ 65,125,702</u>

(Continued)

TAISHIN FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

Reconciliation of cash and cash equivalents:

	<u>September 30</u>	
	2024	2023
Cash and cash equivalents in consolidated balance sheets	\$ 29,537,379	\$ 37,234,576
Due from the Central bank and call loans to banks qualifying as cash and cash equivalents under the definition of IAS 7	72,969,301	11,584,966
Securities purchased under resell agreements qualifying as cash and cash equivalents under the definition of IAS 7	<u>3,203,050</u>	<u>16,306,160</u>
Cash and cash equivalents at the end of the period	<u>\$ 105,709,730</u>	<u>\$ 65,125,702</u>

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

(Concluded)

TAISHIN FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Taishin Financial Holding Co., Ltd. (“Taishin Financial Holding” or the “Company”) was established by Taishin International Bank Co., Ltd. (“Taishin Bank”) and Dah An Commercial Bank Co., Ltd. (“Dah An Bank”) pursuant to the ROC Financial Holding Company Act and related regulations through a share swap on February 18, 2002. Taishin Financial Holding’s main business activities are investing and managing its investments in financial institutions.

Taishin Bank and Dah An Bank established Taishin Financial Holding through a share swap. In forming the holding company, Taishin Bank merged with Dah An Bank, with Taishin Bank as the surviving company. In addition, Taishin Securities Co., Ltd. (“Taishin Securities A”) and Taishin Bills Finance Co., Ltd. (“Taishin Bills Finance”) became wholly-owned subsidiaries of Taishin Financial Holding through a share swap effective on December 31, 2002.

In order to better integrate the resources of the Company and its controlled affiliates, on December 19, 2009, the Company disposed of its wholly-owned subsidiary Taishin Securities A via a merger transaction of Taishin Securities A, as the dissolved company, and KGI Securities Co., Ltd. In addition, on January 22, 2011, Taishin Bank merged with Taishin Bills Finance. Hence, Taishin Bank acquired total assets and assumed all liabilities and operations of Taishin Bills Finance.

Taishin Bank started its business operations on March 23, 1992. Taishin Bank provides customers with general commercial banking services according to the Banking Act of the ROC.

Taishin Asset Management Co., Ltd. (“Taishin AMC”) was established on August 14, 2002 in accordance with the Company Law and other related laws. Taishin AMC’s operations include the acquisition, evaluation, auction, and management of delinquent loans.

Taishin Financial Holding acquired 100% equity interest of Franklin Insurance Brokers Co., Ltd. by cash investment on April 27, 2011 and changed the company name to Taishin Holdings Insurance Brokers Co., Ltd. (“Taishin Holdings Insurance Brokers”). Later Taishin Bank merged with Taishin Holdings Insurance Brokers. Therefore, the surviving company was Taishin Bank and the dissolved company was Taishin Holdings Insurance Brokers. The merger base date was set as April 24, 2016.

Taishin Venture Capital Investment Co., Ltd. (“Taishin Venture Capital Investment”) was approved for establishment on December 25, 2002. Its operations include engagement in investment start-ups.

Taishin Financial Holding acquired 100% equity interest of Taishin Securities Investment Trust Co., Ltd. (“Taishin Securities Investment Trust”) and 92% equity interest of Taishin Securities Investment Advisory Co., Ltd. (“Taishin Securities Investment Advisory”) by cash investments on July 26, 2010. Taishin Securities Investment Trust and Taishin Securities Investment Advisory became subsidiaries of Taishin Financial Holding.

Taishin Securities Investment Advisory was established in March 1989, and its operations include accepting mandates from customers, providing analytical opinions or recommendations on securities investment, acting as an agent for investment consultancy of offshore funds, issuing publications or holding lectures about securities investment and other relevant business permitted by the competent authority.

Taishin Securities Investment Trust approved by the Securities and Futures Bureau, was established on May 31, 2004. Its operations include offering securities investment trust funds, issuing beneficial interest certificates and investing in or trading securities, securities-related products or other items approved by the FSC. In addition, Taishin Securities Investment Trust was approved to operate a full fiduciary discretionary investment business in 2005.

Taishin Securities Co., Ltd. (“Taishin Securities B”) (formerly known as Donshin Securities Co., Ltd.) was incorporated on January 15, 1990, and its operations include services dealing with margin lending and security transfer services, margin trading and short selling of marketable securities, money lending-purpose unrestricted, underwriting and proprietary trading of securities and other businesses as approved by the relevant authorities. Taishin Financial Holding acquired 100% equity interest in Taishin Securities B through cash investments on April 6, 2010. Taishin Securities B became a subsidiary of Taishin Financial Holding.

Taishin Securities B filed an application of ceasing to carry on futures supporting services on September 23, 2023, and it commenced futures introducing broker business on September 25 in the same year.

Taishin Securities B acquired 100% equity interest in Tachong Securities Co., Ltd. (“Tachong Securities”) via cash acquisition and assumed the net assets and operations of Tachong Venture Capital Co., Ltd. (“Tachong Venture Capital”), which was originally the subsidiary of Tachong Securities on August 28, 2017. After completing the aforementioned cash acquisition, the surviving company was Taishin Securities B, and Tachong Securities was dissolved accordingly.

In order to integrate financial resources to expand business development, enhance competitiveness and other expected benefits, the Group conducted an internal organization restructuring. Hence, on the base date, November 8, 2021, Taishin Securities B generally assumed all the assets, liabilities and operations of the share transfer agency department by Taishin Bank.

Taishin Financial Holding acquired 100% equity interest in Prudential Life Insurance Company of Taiwan Inc. (“Prudential Life Insurance”) through cash investment on June 30, 2021. Prudential Life Insurance became a subsidiary of Taishin Financial Holding and changed the company name to Taishin Life Insurance Co., Ltd. (“Taishin Life Insurance”) on August 10, 2021 with approval by the ROC Ministry of Economic Affairs. Taishin Life Insurance’s operations is personal insurance and its underwriting items include life insurance, medical insurance, accident insurance and investment insurance.

Taishin Real-Estate Management Co., Ltd. (“Taishin Real-Estate”) was established in August 1995, and its operations include audit and consultation of construction plans, contract verifications, assessments and trades of real estate, etc.

Taishin D.A. Finance Co., Ltd. (“Taishin D.A. Finance”) was established in October 1997. Its operations include the lease, wholesale and retail sale of machinery, precision machinery, motor vehicles, aircrafts and vessels and their components.

Tachong Venture Capital was established in December 2013 and changed its company name to Taishin Securities Venture Capital Co., Ltd. (“Taishin Securities Venture Capital”) on October 2, 2017. It mainly engages in making investments in start-up entities and in providing consultancy services.

Taishin Capital Co., Ltd. (“Taishin Capital”) was established in August 2019. It mainly engages in making investments in start-up entities and in providing consultancy services.

Taishin Venture Capital Investment, Taishin Securities Investment Advisory and Taishin Securities Venture Capital acquired 51% equity interest and controlling power of Credidi Inc. (“Credidi”) by cash investment on November 3, 2020. Therefore, Credidi became a subsidiary of Taishin Financial Holding. It mainly engages in information software services. The record date of liquidation for Credidi was on October 31, 2023, and as of March 26, 2024 the liquidation procedures were completed.

Taishin Financial Leasing (China) Co., Ltd. (“Taishin Financial Leasing (China)”) was approved for establishment on July 12, 2011 to provide financial leasing services; Taishin Financial Leasing (Tianjin) Co., Ltd. (“Taishin Financial Leasing (Tianjin)”) was approved for establishment on March 1, 2012 to provide financial leasing services. In order to integrate the group resources and increase competitiveness in financial leasing services, the Company conducted an internal group restructuring. The Company intended to merge Taishin Financial Leasing (China) and Taishin Financial Leasing (Tianjin). Therefore, the surviving company is Taishin Financial Leasing (China) and the dissolved company is Taishin Financial Leasing (Tianjin). The merger base date was set as March 31, 2021.

In order to integrate financial resources to expand business development, enhance competitiveness and achieve other expected benefits. The Group conducted an internal organization restructuring. Therefore, Taishin D.A. Finance acquired 100% equity interest in Taishin Financial Leasing (China) from Taishin Venture Capital Investment through cash investment on the settlement base date, December 5, 2023.

Taishin Health Investment Co., Ltd. (“Taishin Health Investment”) was approved for establishment on February 20, 2021 to provide investment services.

Taishin Futures Co., Ltd. (“Taishin Futures”) was approved for the establishment on December 2, 2022 and mainly engaged in futures brokerage business.

Taishin Sports Entertainment Co., Ltd. (“Taishin Sports Entertainment”) was approved for establishment on July 6, 2023. It mainly engages in sports services and arts and performance activities.

Within these consolidated financial statements, Taishin Financial Holding and its subsidiaries mentioned above are collectively referred to as the “Group”.

2. STATEMENT OF COMPLIANCE

The consolidated financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, the Regulations Governing the Preparation of Financial Reports by Public Banks, the Regulations Governing the Preparation of Financial Reports by Securities Firms, the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the FSC.

3. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on November 28, 2024.

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

- a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, the Regulations Governing the Preparation of Financial Reports by Public Banks, the Regulations Governing the Preparation of Financial Reports by Securities Firms, the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC) and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the FSC.

The Group assessed that the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports and the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have any material impact on the Group’s accounting policies, and the application of other standards and interpretations would have no impact on the Group’s financial position and financial performance.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by the International Accounting Standard Board (Collectively, IASB)
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 1)

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

Amendments to IAS 21 “Lack of Exchangeability”

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

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

The Group has not applied the following new, amended and revised Standards and Interpretations:

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 17 and IFRS 9 - Comparative Information”	January 1, 2023
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

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

Except for the following, the application of the above new, amended and revised Standards and Interpretations did not have any material impact on the Group's accounting policies:

1) Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

The amendments stipulate that, when the Group sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Group loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Group sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group's interest as an unrelated investor in the associate or joint venture, i.e., the Group's share of the gain or loss is eliminated. Also, when the Group loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group's interest as an unrelated investor in the associate or joint venture, i.e., the Group's share of the gain or loss is eliminated.

2) IFRS 17 "Insurance Contracts"

IFRS 17 establishes the principle for the accounting treatment of insurance contracts and supersedes IFRS 4 "Insurance Contracts". The principle is as follows:

Level of aggregation

IFRS 17 requires the Group to identify portfolios of insurance contracts which comprises contracts that are subject to similar risks and managed together. Contracts within a product line would be expected to have similar risks and hence would be expected to be in the same portfolio if they are managed together. Each portfolio of insurance contracts issued shall be divided into a minimum of:

- a) A group of contracts that are onerous at initial recognition;
- b) A group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently, and
- c) A group of the remaining contracts in the portfolio.

The Group is not permitted to include contracts issued more than one year apart in the same group, and a group of contracts which are decided to be issued shall apply the recognition and measurement of IFRS 17.

Recognition

The Group shall recognize a group of insurance contracts issued from the earliest of the following:

- a) The beginning of the coverage period of the group of contracts;
- b) The date when the first payment from a policyholder becomes due; and
- c) For a group of onerous contracts, when the group becomes onerous.

Measurement on initial recognition

On initial recognition, the Group shall measure a group of contracts at the total of the amount of fulfilment cash flows and the contractual service margin. The fulfilment cash flows comprises estimates of future cash flows, an adjustment to reflect the time value of money and the financial risks associated with the future cash flows and risk adjustment for non-financial risk. The contractual service margin represents the unearned profit that the Group will recognize as it provides services in the future. This is measured on initial recognition of a group of insurance contracts at an amount that, unless a group of contracts is onerous, results in no income or expenses arising from:

- a) The initial recognition of an amount for the fulfilment cash flows;
- b) The derecognition at that date of any asset or liability recognized for acquisition cash flows; and
- c) All cash flows arising from the contracts in the group at that date.

Subsequent measurement

On subsequent measurement, the carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage comprises the fulfilment cash flows related to future services and the contractual service margin of the group at that date, and liabilities for incurred claims include fulfilment cash flows related to past services. On subsequent measurement, if a group of insurance contracts becomes onerous (or more onerous), that excess shall be recognized in profit or loss.

Onerous contracts

An insurance contract is onerous at the date of initial recognition if the fulfilment cash flows allocated to insurance contracts, all previously recognized acquisition cash flows and all cash flows arising from the contract at the date of initial recognition in total are a net outflow. The Group shall recognize a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows and the contractual service margin of the group being zero. The contractual service margin cannot increase and no revenue can be recognized, until the onerous amount previously recognized has been reversed in profit or loss as part of a service expense.

Premium Allocation Approach (PAA)

The Group may simplify the measurement of the liability for remaining coverage of a group of insurance contracts using the Premium Allocation Approach (PAA) on the condition that:

- a) The Group reasonably expects that this will be a reasonable approximation of the general model,
or
- b) The coverage period of each contract in a group is one year or less.

At the inception, if the Group expects significant variances in the fulfilment cash flows during the year before a claim is incurred, such contracts are not eligible to apply the PAA.

Using the PAA, the liability for remaining coverage shall be the initially recognized premiums, if any, received at initial recognition, minus any insurance acquisition cash flows. This is subsequently adjusted for change in the composition of the group and amortization of acquisition cash flows and reduced over the coverage period with the reduction recorded as revenue, excluding any investment component paid or transferred to the liability for incurred claims.

Investment contracts with discretionary participation features

An investment contract with discretionary participation features is a financial instrument and it does not include a transfer of significant insurance risk. It is in the scope of IFRS 17 only if the issuer also issues insurance contracts.

Modification and derecognition

If the terms of an insurance contract are modified, the Group shall derecognize the original contract and recognize the modified contract as a new contract if there is a substantive modification, based on meeting any of the specified criteria.

The Group shall derecognize an insurance contract when it is extinguished or substantially modified.

Transition

The Group shall apply IFRS 17 retrospectively unless impracticable, in which case entities have the option of using either the modified retrospective approach or the fair value approach.

Under the modified retrospective approach, the Group shall utilize reasonable and supportable information and maximize the use of information that would have been used to apply a full retrospective approach, but only need to use information available without undue cost or effort. The Group shall apply fair value approach if reasonable and supportable information is unavailable.

Under the fair value approach, the Group determines the contractual service margin at the transition date as the difference between the fair value of a group of insurance contracts at that date and the fulfilment cash flows measured at that date.

Redesignation of financial assets

At the date of initial application of IFRS 17, an entity which applied IFRS 9 may redesignate and reclassify financial assets that comply with paragraph C29 of IFRS 17. The entity does not have to restate comparative information to reflect changes in the reclassification of these assets, so the difference between the previous carrying amount and the carrying amount at the date of initial application of IFRS 17 and redesignation and reclassification of these financial assets is recognized in the retained earnings (or other equity, if appropriate) at the date of initial application. If an entity restates the comparative information, the restatement must reflect the requirements of these affected financial assets under IFRS 9.

In addition, for enterprises that have applied IFRS 9 before the initial application of IFRS 17 and have financial assets that have been derecognized during the comparative period of the date of initial application of IFRS 17, the enterprise can choose to apply the classification overlay on the basis of individual financial assets, as if those financial assets had been reclassified in the comparative period in accordance with the redesignation requirements in paragraph C29 of IFRS 17.

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

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

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

4) Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

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

- In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and
- In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

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

- The entity having no practical ability to withdraw, stop or cancel the payment instruction;
- The entity having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- The settlement risk associated with the electronic payment system being insignificant.

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

5. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

According to Order No. 11102740351, No. 11202745811, No. 1130380001, No. 11304900901 and No. 1120386049 issued by the FSC, the Group's consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards and relevant Regulations Governing the Preparation of Financial Reports, which were approved by the FSC for 2024.

Except for the following, the accounting policies applied in the interim consolidated financial statements are the same as those in the consolidated financial statements as of and for the year ended December 31, 2023. Refer to Note 5 to the consolidated financial statements as of and for the year ended December 31, 2023 for related information.

Basis of Consolidation

Subsidiaries included in the consolidated financial statements were as follows:

Investor	Subsidiary	Ownership Interest (%)		
		September 30, 2024	December 31, 2023	September 30, 2023
Taishin Financial Holding	Taishin Bank	100.00	100.00	100.00
Taishin Financial Holding	Taishin Securities B	100.00	100.00	100.00
Taishin Financial Holding	Taishin AMC	100.00	100.00	100.00
Taishin Financial Holding	Taishin Venture Capital Investment	100.00	100.00	100.00
Taishin Financial Holding	Taishin Securities Investment Advisory	92.00	92.00	92.00
Taishin Financial Holding	Taishin Securities Investment Trust	100.00	100.00	100.00
Taishin Financial Holding	Taishin Life Insurance	100.00	100.00	100.00
Taishin Bank	Taishin Real-Estate	60.00	60.00	60.00
Taishin Bank	Taishin D.A. Finance	100.00	100.00	100.00
Taishin D.A. Finance	Taishin Financial Leasing (China) (Note 1)	100.00	100.00	-
Taishin AMC	Taishin Real-Estate	40.00	40.00	40.00
Taishin Venture Capital Investment	Taishin Financial Leasing (China) (Note 1)	-	-	100.00
Taishin Venture Capital Investment	Taishin Sports Entertainment	100.00	100.00	100.00
Taishin Securities B	Taishin Securities Venture Capital	100.00	100.00	100.00
Taishin Securities B	Taishin Capital	100.00	100.00	100.00
Taishin Securities B	Taishin Futures	100.00	100.00	100.00
Taishin Venture Capital Investment	Credidi (Note 2)	-	-	20.00
Taishin Securities Investment Advisory	Credidi (Note 2)	-	-	6.00
Taishin Securities Venture Capital	Credidi (Note 2)	-	-	25.00
Taishin Capital	Taishin Health Investment	100.00	100.00	100.00

Note 1: Taishin Venture Capital Investment transferred 100% of the equity interest of Taishin Financial Leasing (China) in Taishin D.A. Finance on December 5, 2023, and Taishin Financial Leasing (China) has since become a wholly-owned subsidiary of Taishin D.A. Finance.

Note 2: Credidi had been liquidated on October 31, 2023, and as of March 26, 2024 the liquidation procedures were completed.

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. If a plan amendment, curtailment or settlement occurs, the current service cost and the net interest for the remainder of the annual reporting period are determined using the actuarial assumptions used for the remeasurement of the net defined benefit liabilities (assets).

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Income taxes accrued for the interim period 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.

6. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Material accounting judgments and key sources of estimation uncertainty are the same as the consolidated financial statements as of and for the year ended December 31, 2023. Refer to Note 6 to the consolidated financial statements as of and for the year ended December 31, 2023 for related information.

7. CASH AND CASH EQUIVALENTS

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand	\$ 12,740,952	\$ 13,982,329	\$ 12,912,907
Checks for clearing	585,355	1,600,323	1,534,235
Due from banks	12,118,411	9,985,193	19,883,762
Others	<u>4,092,661</u>	<u>3,664,676</u>	<u>2,903,672</u>
	<u>\$ 29,537,379</u>	<u>\$ 29,232,521</u>	<u>\$ 37,234,576</u>

- a. Due from banks include time deposits that have a maturity of three months or less from the date of acquisition, are readily convertible to a known amount of cash, and are subject to an insignificant risk of change in value; these were held for the purpose of meeting short-term cash commitments.
- b. The loss allowance was measured at an amount equal to 12-month ECLs based on historical experience and forward-looking information; there was no loss allowance on cash and cash equivalents as of September 30, 2024, December 31, 2023 and September 30, 2023.

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

	September 30, 2024	December 31, 2023	September 30, 2023
Required reserve - Account A	\$ 36,882,147	\$ 26,095,851	\$ 24,990,895
Required reserve - Account B	60,002,894	51,632,957	51,935,599
Required reserve - Foreign Currency	596,471	576,598	611,374
Required reserve - Others	81,573	69,953	67,598
Call loans to other banks	72,969,301	23,549,309	11,584,966
Interbank clearing funds	<u>15,000,199</u>	<u>8,000,203</u>	<u>8,000,824</u>
	<u>\$ 185,532,585</u>	<u>\$ 109,924,871</u>	<u>\$ 97,191,256</u>

The loss allowance was measured at an amount equal to 12-month ECLs based on historical experience and forward-looking information; there was no loss allowance on due from the Central Bank and call loans to banks as of September 30, 2024, December 31, 2023 and September 30, 2023.

9. FINANCIAL INSTRUMENTS AT FVTPL

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial assets mandatorily classified as at FVTPL</u>			
Derivative instruments			
Futures	\$ 958,795	\$ 868,930	\$ 865,862
Forward exchange contracts	785,428	623,769	1,077,696
Currency swaps	16,364,987	29,913,377	38,366,130
Interest rate swaps	13,608,426	14,523,163	20,572,936
Cross-currency swaps	377,445	427,174	41,192
Foreign-exchange options	4,014,907	3,825,287	2,780,071
Equity-linked options	301,395	160,252	171,742
Futures options	2,321	-	-
Commodity options	5	-	-
Equity-linked swaps	46	1,750	2,172
Structured products	14,996	-	-
Non-derivative financial assets			
Investment in bills	61,423,092	54,371,699	61,054,744
Domestic and overseas shares and beneficiary certificates	52,037,061	42,559,892	40,031,263
Government bonds	7,093,370	12,680,301	14,005,294
Corporate bonds, bank notes payable and other bonds	14,425,311	17,558,854	13,705,841
Beneficiary securities (Note 46)	142,099	175,577	198,289
Trading securities			
Dealing	10,423,678	15,158,520	11,893,255
Underwriting	1,785,234	1,524,003	1,262,736
Hedging	<u>7,044,093</u>	<u>6,606,253</u>	<u>5,846,338</u>
Financial assets at FVTPL	<u>\$ 190,802,689</u>	<u>\$ 200,978,801</u>	<u>\$ 211,875,561</u>

(Continued)

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial liabilities designated as at FVTPL</u>			
Bank notes payable (d)	\$ 2,715,720	\$ 2,548,652	\$ 2,248,825
Structured products (e)	3,497,247	3,623,817	3,669,738
<u>Financial liabilities held for trading</u>			
Derivative instruments			
Futures	209,387	140,569	35,453
Forward exchange contracts	897,377	725,172	1,292,381
Currency swaps	17,619,777	32,070,203	34,353,118
Interest rate swaps	13,341,441	14,138,410	20,337,389
Cross-currency swaps	244,463	301,670	467,192
Foreign-exchange options	4,062,251	3,819,424	2,777,796
Equity-linked options	2,938,393	2,290,228	1,625,645
Futures options	1,076	-	-
Equity-linked swaps	46	1,750	2,172
Credit default swaps	1,843	13,450	-
Liabilities for issuance of call (put) warrants, net (c)	79,423	18,504	12,155
Exchangeable corporate bonds embedded derivatives (g)	274,500	175,500	157,500
Non-derivative financial liabilities			
Share borrowing	1,453,126	5,435,737	2,626,880
Short sales of bonds	<u>-</u>	<u>-</u>	<u>199,732</u>
Financial liabilities at FVTPL	<u>\$ 47,336,070</u>	<u>\$ 65,303,086</u>	<u>\$ 69,805,976</u> (Concluded)

- a. The Group engaged in various derivative instrument transactions in the nine months ended September 30, 2024 and 2023 to fulfill the needs of customers of Taishin Bank and Taishin Securities B as well as to manage Taishin Life Insurance and Taishin Bank's positions and risks of assets and liabilities.
- b. The nominal principal amounts of outstanding derivative contracts were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Futures	\$ 16,667,095	\$ 13,627,307	\$ 17,113,215
Forward exchange contracts	108,552,534	84,183,254	119,747,535
Currency swaps	2,171,340,328	2,833,935,836	2,587,348,683
Interest rate swaps	838,867,651	730,457,369	670,169,983
Cross-currency swaps	38,921,510	26,564,473	15,731,205
Foreign-exchange options	581,381,430	379,491,263	330,612,684
Equity-linked options	12,309,055	10,945,081	10,310,419
Futures options	1,398,943	-	-
Commodity options	25,336	-	-
Equity-linked swaps	33,570	99,882	124,358
Credit default swaps	106,207	169,994	-
Guarantee products	3,440,000	3,540,000	3,540,000
Credit-linked products	36,800	66,400	62,000
Equity-linked products	22,000	10,000	50,000

c. Call (put) warrants

	September 30, 2024	December 31, 2023	September 30, 2023
Call (put) warrants issued	\$ 2,995,189	\$ 1,819,075	\$ 1,239,683
Gain on change in fair value	<u>(290,822)</u>	<u>(244,890)</u>	<u>(400,458)</u>
	<u>2,704,367</u>	<u>1,574,185</u>	<u>839,225</u>
Repurchased call (put) warrants	2,810,578	1,784,580	1,196,086
Loss on change in fair value	<u>(185,634)</u>	<u>(228,899)</u>	<u>(369,016)</u>
	<u>2,624,944</u>	<u>1,555,681</u>	<u>827,070</u>
Net call (put) warrants issued	<u>\$ 79,423</u>	<u>\$ 18,504</u>	<u>\$ 12,155</u>

The call (put) warrants which were issued by Taishin Securities B, are exercisable within six to eight months from the date listed on market and will be settled in cash or in securities at Taishin Securities B's discretions.

The fair value of call (put) warrants was calculated using the closing price on the last transaction day of the balance sheet date.

d. Taishin Bank's unsecured USD senior bank notes payable were as follows:

First unsecured USD senior bank notes payable of Taishin Bank of year 2018, 30 years, US\$80,000 thousand, 100% of the principal amount of the bonds, put redemption on the fifth anniversaries of the notes payable issue, and repay the holders at principal value plus accrued interests, maturity: July 5, 2048.

Second unsecured USD senior bank notes payable of Taishin Bank of year 2018, 30 years, US\$20,000 thousand, 100% of the principal amount of the bonds, put redemption on the fifth anniversaries of the notes payable issue, and repay the holders at principal value plus accrued interests, maturity: July 5, 2048.

Taishin bank considered unsecured USD senior bank notes payable as financial instruments designated at FVTPL to eliminate the recognition inconsistency.

e. Taishin Securities B issued structured notes, approved by the Taipei Exchange, including principal guaranteed notes, equity-linked notes, fund-linked notes and credit-linked products. According to the contracts of principal guaranteed notes, equity-linked notes and fund-linked notes, Taishin Securities B receives contract principal or agreed amount of proceeds from investors and will pay the settlement amount based on the contractual terms at maturity. The structured notes contain debt obligation and embedded options components and Taishin will earn profit arising from credit spread or market spread. The credit-linked products contain credit spread of convertible corporate bonds, which are from dealing or asset-swap and combined with fixed-income products sold to investors; Taishin Securities B receives contract principal from investors and pays dividends in fixed cycle. The credit-linked products provide more options for convertible assets and decrease the risks of holding convertible bonds of investors.

Taishin Securities B engages in the structured note transactions in order to diversify its financial instruments, to increase the source of profits and to provide other hedge positions in assets and advance the income stability and to decrease the credit risk on asset holdings.

- f. The Group adopted the overlay approach of IFRS 4 for the presentation of profit or loss of designated financial assets.

The financial assets related to investment activities of issued insurance contracts that designated to adopt the overlay approach were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Domestic listed (OTC) shares	\$ 23,608,240	\$ 15,994,360	\$ 17,409,665
Domestic unlisted (OTC) shares	77,911	81,392	81,393
Domestic beneficiary certificates	8,699,154	7,804,185	6,984,836
Foreign beneficiary certificates	3,180,964	2,521,884	2,496,673
Foreign beneficiary bonds	<u>142,099</u>	<u>175,577</u>	<u>198,289</u>
	<u>\$ 35,708,368</u>	<u>\$ 26,577,398</u>	<u>\$ 27,170,856</u>

Reclassifications from profit or loss to other comprehensive income of the financial assets designated by the Group to apply overlay approach by the Group for the three months ended September 30, 2024 and 2023, respectively, and for the nine months ended September 30, 2024 and 2023, respectively were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Gain (loss) on application of IFRS 9	\$ (904,058)	\$ 339,633	\$ 3,749,038	\$ 4,251,556
(Gain) loss if applying IAS 39	<u>(1,484,148)</u>	<u>(1,119,254)</u>	<u>(3,875,906)</u>	<u>(2,315,270)</u>
Gain (loss) on reclassification using the overlay approach	<u>\$ (2,388,206)</u>	<u>\$ (779,621)</u>	<u>\$ (126,868)</u>	<u>\$ 1,936,286</u>

Due to the application of overlay approach, the amount of gain (loss) on financial assets at FVTPL had been adjusted from \$546,577 thousand to \$2,934,783 thousand and \$(1,903,964) thousand to \$(1,124,343) thousand for the three months ended September 30, 2024 and 2023, respectively, and from \$6,788,112 thousand to \$6,914,980 thousand and \$5,220,992 thousand to \$3,284,706 thousand for the nine months ended September 30, 2024 and 2023, respectively.

- g. The Group issued the first domestic unsecured exchangeable corporate bonds to obtain Chang Hwa Bank's ordinary shares on April 1, 2022. According to IFRS 9 "Financial Instrument", the derivative financial instrument embedded in the exchangeable bonds shall be separated from the main contract and recognized as a derivative instrument, as its economic trait and risk are not closely related to the main contract's debt instruments. The fair value of the embedded derivatives at the exchangeable bonds' issuance date was \$398,500 thousand and was recognized as financial liabilities at FVTPL. Thus, the gains (losses) on financial liabilities at FVTPL amounted to \$(63,000) thousand and \$84,500 thousand for the three months ended September 30, 2024 and 2023, respectively, and amounted to \$(99,000) thousand and \$18,000 thousand for the nine months ended September 30, 2024 and 2023, respectively. Refer to Note 25 for information related to the issuance of the exchangeable corporate bonds.

10. FINANCIAL ASSETS AT FVTOCI

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Debt instrument</u>			
Government bonds	\$ 60,546,614	\$ 63,265,003	\$ 47,200,077
Corporate bonds	36,938,764	36,993,685	37,927,692
Bank notes payable	31,873,820	31,413,511	32,916,240
Beneficiary securities (Note 46)	<u>1,007,448</u>	<u>1,007,163</u>	<u>1,034,800</u>
	130,366,646	132,679,362	119,078,809
<u>Equity instrument</u>			
Domestic and overseas shares (b)	<u>15,301,960</u>	<u>14,469,829</u>	<u>14,191,440</u>
	<u>\$ 145,668,606</u>	<u>\$ 147,149,191</u>	<u>\$ 133,270,249</u>

- a. Because some equity instruments are held by the Group for long-term purposes and not for trading, which is reasonably reflected in the operating performance, equity instruments are classified as at fair value through other comprehensive income.
- b. The Group issued the first domestic unsecured exchangeable corporate bonds to obtain Chang Hwa Bank's ordinary shares on April 1, 2022. Refer to Note 25 for information relating to the issuance of the exchangeable corporate bonds.
- c. The amount of the loss allowance for debt instruments was as follows:

	12-month ECLs	Lifetime ECLs - Not Credit-impaired	Lifetime ECLs - Credit-impaired	Total
September 30, 2024	\$ 34,553	\$ -	\$ -	\$ 34,553
December 31, 2023	25,764	-	-	25,764
September 30, 2023	26,622	-	-	26,622

As the Group's debt instruments at FVTOCI were measured using the ECLs model, the Group recognized (impairment loss) reversal of impairment loss on financial assets amounted to \$(6,588) thousand and \$2,268 thousand for the three months ended September 30, 2024 and 2023, respectively, and amounted to \$(8,508) thousand and \$2,659 thousand for the nine months ended September 30, 2024 and 2023, respectively.

- d. The Group sold the domestic shares for strategic purposes. The shares sold had a fair value of \$7,999,600 thousand and \$15,617,728 thousand, and the Group transferred \$731,580 thousand and \$552,284 thousand of gains from other equity to retained earnings for the nine months ended September 30, 2024 and 2023, respectively.
- e. Refer to Note 46 for information relating to the management of credit risk and the impairment assessment on investments in debt instruments at FVTOCI.
- f. Refer to Note 48 for information relating to debt instruments at FVTOCI pledged as collateral.

11. INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST

	September 30, 2024	December 31, 2023	September 30, 2023
Investment in bills	\$ 248,514,529	\$ 243,443,323	\$ 260,352,394
Bank notes payable	121,629,574	110,292,582	111,274,002
Corporate bonds	149,780,271	131,719,113	132,633,983
Government bonds	184,169,807	225,479,277	201,452,164
Beneficiary securities (Note 46)	<u>34,392,033</u>	<u>25,250,431</u>	<u>26,643,199</u>
	738,486,214	736,184,726	732,355,742
Less: Allowance for impairment	(95,315)	(64,275)	(63,053)
Less: Security deposit	<u>(1,730,874)</u>	<u>(1,489,448)</u>	<u>(1,492,108)</u>
	<u>\$ 736,660,025</u>	<u>\$ 734,631,003</u>	<u>\$ 730,800,581</u>

- a. The Group disposed of bonds before maturity date because of infrequent sales, or because the sales were insignificant in value (either individually or in aggregate) and recognized gain (loss) on disposal of \$1 thousand and \$0 thousand for the three months ended September 30, 2024 and 2023, respectively, and disposal of \$(9,957) thousand and \$0 thousand for the nine months ended September 30, 2024 and 2023, respectively. The disposal of bonds due to other conditions such as repayments at maturities and redemptions resulted in gain on disposal of \$7,601 thousand and \$497 thousand for the three months ended September 30, 2024 and 2023, respectively, and disposal of \$23,091 thousand and \$1,276 thousand for the nine months ended September 30, 2024 and 2023, respectively.
- b. The amount of the loss allowance for debt instruments was as follows:

	12-month ECLs	Lifetime ECLs - Not Credit-impaired	Lifetime ECLs - Credit-impaired	Total
September 30, 2024	\$ 95,315	\$ -	\$ -	\$ 95,315
December 31, 2023	64,275	-	-	64,275
September 30, 2023	63,053	-	-	63,053

As the Group's investments in debt instruments at amortized cost were measured using the ECLs model, the Group had recognized (impairment loss) reversal of impairment loss on financial assets amounted to \$(24,558) thousand and \$4,787 thousand for the three months ended September 30, 2024 and 2023, respectively, and amounted to \$(30,313) thousand and \$(6,656) thousand for the nine months ended September 30, 2024 and 2023, respectively.

- c. Refer to Note 46 for information relating to the management of credit risk and the impairment assessment on investments in debt instruments at amortized cost.
- d. Refer to Note 48 for information relating to investments in debt instruments at amortized cost pledged as collateral.

12. RECEIVABLES, NET

a. The details of receivables, net were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Notes and accounts receivable	\$ 76,436,044	\$ 66,620,594	\$ 77,722,934
Credit cards receivable	78,347,668	70,540,868	70,429,359
Interest receivable	11,188,009	10,700,536	10,205,964
Securities margin loans receivable	15,298,173	11,533,240	10,147,286
Delivery accounts receivable	11,106,558	7,829,779	7,440,697
Other receivables	<u>3,007,134</u>	<u>3,452,439</u>	<u>1,648,787</u>
	195,383,586	170,677,456	177,595,027
Less: Adjustment for discounts	(2,861,226)	(2,865,443)	(2,890,504)
Less: Allowance for receivables	<u>(1,866,941)</u>	<u>(2,494,822)</u>	<u>(2,550,492)</u>
	<u>\$ 190,655,419</u>	<u>\$ 165,317,191</u>	<u>\$ 172,154,031</u>

b. The movements in the allowance for receivables (including non-performing receivables transferred from other than loan) for nine months ended September 30, 2024 and 2023 were as follows:

	12-month ECLs	Lifetime ECLs (Group Assessment)	Lifetime ECLs (Individual Assessment)	Lifetime ECLs (Non-purchased or Originated Credit-impaired Credit-impaired (POCI) Financial Assets)	Loss Allowance under IFRS 9	Recognized (Reversal) Based on the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing /Non-accrual Loans	Total
Loss allowance as of January 1, 2024	\$ 195,840	\$ 152,632	\$ 476,461	\$ 1,169,499	\$ 1,994,432	\$ 635,310	\$ 2,629,742
Changes of financial instruments recognized at the beginning of the reporting period							
Transferred to Lifetime ECLs	(3,226)	30,301	-	(3,844)	23,231		23,231
Transferred to Credit-impaired Financial Assets	(2,985)	(4,307)	-	195,055	187,763		187,763
Transferred to 12-month ECLs	1,297	(6,718)	-	(8,361)	(13,782)		(13,782)
Financial assets derecognized	(97,171)	(22,378)	(12,027)	(1,102,044)	(1,233,620)		(1,233,620)
New financial assets purchased or originated	71,152	16,529	12,420	540,089	640,190		640,190
Recognized (Reversal) based on the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans						3,471	3,471
Write-offs	(10)	(18,142)	(11,381)	(506,308)	(535,841)		(535,841)
Recovery of written-off loans	-	-	3,316	724,568	727,884		727,884
Foreign exchange and other movements	13,497	17,780	96	132,353	163,726		163,726
Loss allowance as of September 30, 2024	\$ 178,394	\$ 165,697	\$ 468,885	\$ 1,141,007	\$ 1,953,983	\$ 638,781	\$ 2,592,764

	12-month ECLs	Lifetime ECLs (Group Assessment)	Lifetime ECLs (Individual Assessment)	Lifetime ECLs (Non-purchased or Originated Credit-impaired Credit-impaired (POCI) Financial Assets)	Loss Allowance under IFRS 9	Recognized (Reversal) Based on the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing /Non-accrual Loans	Total
Loss allowance as of January 1, 2023	\$ 169,848	\$ 177,744	\$ 480,593	\$ 1,113,447	\$ 1,941,632	\$ 672,805	\$ 2,614,437
Changes of financial instruments recognized at the beginning of the reporting period							
Transferred to Lifetime ECLs	(2,195)	22,755	-	(4,748)	15,812		15,812
Transferred to Credit-impaired Financial Assets	(2,432)	(9,415)	(471)	127,187	114,869		114,869
Transferred to 12-month ECLs	4,888	(8,207)	-	(56,499)	(59,818)		(59,818)
Financial assets derecognized	(67,313)	(39,746)	(5,393)	(301,869)	(414,321)		(414,321)
New financial assets purchased or originated	88,141	32,682	23,839	32,015	176,677		176,677
Recognized (Reversal) based on the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans						(33,457)	(33,457)
Write-offs	(6)	(4,443)	(35,554)	(437,817)	(477,820)		(477,820)
Recovery of written-off loans	-	-	724	493,288	494,012		494,012
Foreign exchange and other movements	3,308	24,804	3,318	212,807	244,237		244,237
Loss allowance as of September 30, 2023	\$ 194,239	\$ 196,174	\$ 467,056	\$ 1,177,811	\$ 2,035,280	\$ 639,348	\$ 2,674,628

- c. The movements in the gross carrying amount of receivables (including non-performing receivables transferred from other than loans) for nine months ended September 30, 2024 and 2023 were as follows:

	12-month ECLs	Lifetime ECLs (Group Assessment)	Lifetime ECLs (Individual Assessment)	Lifetime ECLs (Non-POCI Financial Assets)	Total
Carrying amount as of January 1, 2024	\$ 114,745,383	\$ 39,193,302	\$ 14,081,003	\$ 2,703,552	\$ 170,723,240
Changes of financial instruments recognized at the beginning of the reporting period					
Transferred to Lifetime ECLs	(374,905)	377,332	5,773	(9,800)	(1,600)
Transferred to Credit-impaired Financial Assets	(716,010)	(38,521)	(108)	779,130	24,491
Transferred to 12-month ECLs	62,020	(40,135)	(21)	(23,726)	(1,862)
Financial assets derecognized	(25,754,720)	(1,119,454,801)	(247,095,514)	(850,959)	(1,393,155,994)
New financial assets purchased or originated	33,932,613	1,134,309,369	249,793,848	689,506	1,418,725,336
Write-offs	(1,639)	(18,715)	(11,381)	(653,638)	(685,373)
Foreign exchange and other movements	494,047	5,502	-	13,350	512,899
Carrying amount as of September 30, 2024	\$ 122,386,789	\$ 54,333,333	\$ 16,773,600	\$ 2,647,415	\$ 196,141,137

	12-month ECLs	Lifetime ECLs (Group Assessment)	Lifetime ECLs (Individual Assessment)	Lifetime ECLs (Non-POCI Financial Assets)	Total
Carrying amount as of January 1, 2023	\$ 117,781,195	\$ 27,929,465	\$ 10,939,364	\$ 2,692,906	\$ 159,342,930
Changes of financial instruments recognized at the beginning of the reporting period					
Transferred to Lifetime ECLs	(302,404)	316,682	333	(7,048)	7,563
Transferred to Credit-impaired Financial Assets	(563,213)	(106,345)	(540)	696,662	26,564
Transferred to 12-month ECLs	242,641	(66,363)	(68)	(151,128)	25,082
Financial assets derecognized	(28,018,384)	(674,793,249)	(302,120,626)	(117,961)	(1,005,050,220)
New financial assets purchased or originated	30,611,142	683,280,158	309,948,591	105,056	1,023,944,947
Write-offs	(937)	(4,757)	(35,554)	(507,119)	(548,367)
Foreign exchange and other movements	839	(3,195)	-	2,064	(292)
Carrying amount as of September 30, 2023	\$ 119,750,879	\$ 36,552,396	\$ 18,731,500	\$ 2,713,432	\$ 177,748,207

13. LOANS, NET

- a. The details of loans, net were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Negotiated	\$ 3,643,391	\$ 1,491,136	\$ 2,012,188
Overdrafts	479,430	524,941	376,987
Short-term loans	359,378,805	306,526,042	306,937,425
Medium-term loans	571,737,067	516,045,376	490,252,480
Long-term loans	779,197,551	712,454,336	698,714,258
Policy loans	6,044,084	5,818,590	5,572,664
Automatic premium loans	1,916,679	1,868,489	1,881,423
Delinquent loans	<u>1,604,954</u>	<u>1,365,759</u>	<u>1,757,778</u>
	1,724,001,961	1,546,094,669	1,507,505,203
Less: Adjustment for discounts	(827,734)	(690,071)	(649,415)
Less: Allowance for loan losses	<u>(22,207,888)</u>	<u>(20,582,062)</u>	<u>(20,419,719)</u>
	<u>\$ 1,700,966,339</u>	<u>\$ 1,524,822,536</u>	<u>\$ 1,486,436,069</u>

- b. The movements in the allowance for loans for the nine months ended September 30, 2024 and 2023 were as follows:

	12-month ECLs	Lifetime ECLs (Group Assessment)	Lifetime ECLs (Individual Assessment)	Lifetime ECLs (Non-POCI Financial Assets)	Loss Allowance under IFRS 9	Recognized (Reversal) Based on the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing /Non-accrual Loans	Total
Loss allowance as of January 1, 2024	\$ 2,112,673	\$ 1,122,220	\$ 102,749	\$ 3,122,610	\$ 6,460,252	\$ 14,121,810	\$ 20,582,062
Changes of financial instruments recognized at the beginning of the reporting period							
Transferred to Lifetime ECLs	(11,281)	332,656	129,142	(11,437)	439,080		439,080
Transferred to Credit-impaired Financial Assets	(5,780)	(41,272)	(8,944)	710,930	654,934		654,934
Transferred to 12-month ECLs	7,448	(221,950)	(4,489)	(167,992)	(386,983)		(386,983)
Financial assets derecognized	(448,829)	(270,028)	(46,356)	(1,281,025)	(2,046,238)		(2,046,238)
New financial assets purchased or originated	696,600	67,962	20,675	69,117	854,354		854,354
Recognized (Reversal) based on the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing / Non-accrual Loans						1,635,649	1,635,649
Write-offs	(476)	(11,152)	-	(150,624)	(162,252)		(162,252)
Recovery of written-off loans	-	-	-	637,282	637,282		637,282
Loss allowance as of September 30, 2024	\$ 2,350,355	\$ 978,436	\$ 192,777	\$ 2,928,861	\$ 6,450,429	\$ 15,757,459	\$ 22,207,888

	12-month ECLs	Lifetime ECLs (Group Assessment)	Lifetime ECLs (Individual Assessment)	Lifetime ECLs (Non-POCI Financial Assets)	Loss Allowance under IFRS 9	Recognized (Reversal) Based on the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing /Non-accrual Loans	Total
Loss allowance as of January 1, 2023	\$ 2,104,684	\$ 695,828	\$ 208,511	\$ 4,378,106	\$ 7,387,129	\$ 11,783,805	\$ 19,170,934
Changes of financial instruments recognized at the beginning of the reporting period							
Transferred to Lifetime ECLs	(7,520)	319,182	12,122	(125,045)	198,739		198,739
Transferred to Credit-impaired Financial Assets	(8,388)	(23,699)	(46,015)	980,846	902,744		902,744
Transferred to 12-month ECLs	8,893	(107,727)	(404)	(1,218,852)	(1,318,090)		(1,318,090)
Financial assets derecognized	(538,784)	(117,233)	(59,001)	(1,362,928)	(2,077,946)		(2,077,946)
New financial assets purchased or originated	554,514	392,045	24,974	236,476	1,208,009		1,208,009
Recognized (Reversal) based on the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing / Non-accrual Loans						1,847,609	1,847,609
Write-offs	(298)	(5,786)	-	(201,018)	(207,102)		(207,102)
Recovery of written-off loans	-	-	-	694,822	694,822		694,822
Loss allowance as of September 30, 2023	\$ 2,113,101	\$ 1,152,610	\$ 140,187	\$ 3,382,407	\$ 6,788,305	\$ 13,631,414	\$ 20,419,719

- c. The movements in the gross carrying amount of loans for the nine months ended September 30, 2024 and 2023 were as follows:

	12-month ECLs	Lifetime ECLs (Group Assessment)	Lifetime ECLs (Individual Assessment)	Lifetime ECLs (Non-POCI Financial Assets)	Total
Carrying amount as of January 1, 2024	\$ 1,513,821,341	\$ 21,693,013	\$ 553,284	\$ 10,027,031	\$ 1,546,094,669
Changes of financial instruments recognized at the beginning of the reporting period					
Transferred to Lifetime ECLs	(7,023,003)	5,699,595	1,221,458	(36,393)	(138,343)
Transferred to Credit-impaired Financial Assets	(2,621,147)	(206,196)	(84,918)	2,791,150	(121,111)
Transferred to 12-month ECLs	5,605,881	(5,427,006)	(20,379)	(580,034)	(421,538)
Financial assets derecognized	(266,040,086)	(4,732,796)	(52,516)	(1,919,776)	(272,745,174)
New financial assets purchased or originated	450,978,032	579,847	26,525	209,188	451,793,592
Write-offs	(84,058)	(37,422)	-	(338,654)	(460,134)
Carrying amount as of September 30, 2024	\$ 1,694,636,960	\$ 17,569,035	\$ 1,643,454	\$ 10,152,512	\$ 1,724,001,961

	12-month ECLs	Lifetime ECLs (Group Assessment)	Lifetime ECLs (Individual Assessment)	Lifetime ECLs (Non-POCI Financial Assets)	Total
Carrying amount as of January 1, 2023	\$ 1,394,652,946	\$ 25,974,639	\$ 724,679	\$ 14,475,824	\$ 1,435,828,088
Changes of financial instruments recognized at the beginning of the reporting period					
Transferred to Lifetime ECLs	(5,922,074)	6,072,537	111,770	(428,219)	(165,986)
Transferred to Credit-impaired Financial Assets	(2,666,789)	(117,535)	(85,320)	2,722,885	(146,759)
Transferred to 12-month ECLs	8,318,424	(4,785,223)	(20,183)	(4,017,229)	(504,211)
Financial assets derecognized	(294,721,875)	(5,047,158)	(204,923)	(2,486,525)	(302,460,481)
New financial assets purchased or originated	374,314,391	547,719	95,534	403,673	375,361,317
Write-offs	(51,731)	(20,331)	-	(334,703)	(406,765)
Carrying amount as of September 30, 2023	\$ 1,473,923,292	\$ 22,624,648	\$ 621,557	\$ 10,335,706	\$ 1,507,505,203

- d. Details of the reversal of bad debt expenses, commitments, and guarantee liabilities (provision) for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023 were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
(Provision for) reversal of the allowance for losses on receivables, loans and other financial assets	\$ (551,065)	\$ (218,187)	\$ (1,443,217)	\$ (1,004,929)
(Provision for) reversal of the allowance for losses on guarantee liabilities	(24,341)	(37,673)	(35,327)	(58,368)
(Provision for) reversal of the allowance for losses on loan commitments	147	654	(4,028)	(3,882)
(Provision for) reversal of the allowance for letters of credit	<u>(49)</u>	<u>69</u>	<u>59</u>	<u>95</u>
	<u>\$ (575,308)</u>	<u>\$ (255,137)</u>	<u>\$ (1,482,513)</u>	<u>\$ (1,067,084)</u>

14. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

- a. Investments in associates

	September 30, 2024	December 31, 2023	September 30, 2023
Associates that are not individually material	<u>\$ 516,094</u>	<u>\$ 527,714</u>	<u>\$ 494,023</u>

Aggregate information of associates that are not individually material:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
The Group's share of:				
Net income (loss) for the period	\$ 14,835	\$ (106)	\$ 34,633	\$ 501
Other comprehensive income (loss) for the period	-	-	(88)	-
Total comprehensive income (loss) for the period	<u>\$ 14,835</u>	<u>\$ (106)</u>	<u>\$ 34,545</u>	<u>\$ 501</u>

In May 2023, Taishin Life Insurance acquired 16,000 thousand ordinary shares of Mega Solar Energy Co., Ltd. in cash of \$160,000 thousand. After the subscription, Taishin Life Insurance held 20% ownership and gained significant influence over the company.

- b. The Group's investments accounted for using equity method were not pledged as collateral as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively.

15. OTHER FINANCIAL ASSETS, NET

- a. The details of other financial assets, net items were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Non-performing receivables transferred from other than loans	\$ 892,858	\$ 179,110	\$ 164,804
Less: Allowance for bad debt	(725,823)	(134,920)	(124,136)
Due from banks	5,817,520	3,351,921	837,806
Securities lending deposits	56,544	548,253	766,508
Gold deposit account	722,138	441,756	553,069
Customer margin account	3,592,272	1,727,022	1,407,591
Securities borrowing collateral price	-	397	-
Separate account insurance products assets (Note 31)	<u>42,195,437</u>	<u>33,883,725</u>	<u>32,355,816</u>
	<u>\$ 52,550,946</u>	<u>\$ 39,997,264</u>	<u>\$ 35,961,458</u>

- b. The due from banks recognized under other financial assets held by the Group are time deposits with original maturities of more than 3 months or pledged as collateral. Refer to Note 48 for the information relating to the due from banks and time deposits pledged as collateral.
- c. Refer to Note 12 for the movements of the allowance for non-performing receivables transferred from other than loans for the nine months ended September 30, 2024 and 2023.
- d. The loss allowance was measured at an amount equal to 12-month ECLs based on historical experience and forward-looking information; there was no allowance for loss on other financial assets excluding non-performing receivables transferred from other than loans as of September 30, 2024, December 31, 2023 and September 30, 2023.

16. INVESTMENT PROPERTIES, NET

	September 30, 2024	December 31, 2023	September 30, 2023
Investment properties			
Land	\$ 4,348,099	\$ 3,246,556	\$ 2,986,495
Buildings			
Cost	1,412,670	1,088,681	1,016,317
Accumulated depreciation	<u>(263,974)</u>	<u>(241,728)</u>	<u>(234,690)</u>
	<u>1,148,696</u>	<u>846,953</u>	<u>781,627</u>
Prepayments for buildings and land	<u>-</u>	<u>-</u>	<u>99,504</u>
	<u>\$ 5,496,795</u>	<u>\$ 4,093,509</u>	<u>\$ 3,867,626</u>

Taishin Life Insurance acquired investment properties amounted to \$1,452,207 thousand and \$99,504 thousand for the nine months ended September 30, 2024 and 2023, respectively. Other than the recognized depreciation expenses, there were no significant changes in the value and impairment of other investment properties held by the Group for the nine months ended September 30, 2024 and 2023, respectively.

The investment properties are depreciated over the following estimated useful lives using the straight-line method as follows:

Buildings 5-55 years

The Group's investment properties, which were leased out under operating leases, had lease terms between one and twenty years.

The maturity analysis of lease payments receivable under operating leases of investment properties as of September 30, 2024, December 31, 2023 and September 30, 2023 were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Year 1	\$ 183,082	\$ 123,751	\$ 119,325
Year 2	172,559	86,755	105,940
Year 3	168,015	83,397	100,481
Year 4	162,354	82,396	100,935
Year 5	141,611	77,533	98,950
Over 5 years	<u>712,099</u>	<u>367,710</u>	<u>422,309</u>
	<u>\$ 1,539,720</u>	<u>\$ 821,542</u>	<u>\$ 947,940</u>

The rental income and direct operating expenses generated from investment properties for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023 were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Rental income	\$ 49,187	\$ 29,566	\$ 140,041	\$ 77,201
Direct operating expenses from investment properties generating rental income	10,256	8,520	32,267	27,189
Direct operating expenses from investment properties not generating rental income	625	1,097	3,147	3,670

The fair values of the Group's investment properties as of September 30, 2024, December 31, 2023 and September 30, 2023 were \$6,249,953 thousand, \$4,748,919 thousand and \$4,340,361 thousand, respectively. The fair values were determined by the Group's management and independent evaluation companies based on the valuation models measured by Level 3 inputs generally used by the market participants, the foregoing valuation was from the transaction value of property and equipment.

17. PROPERTY AND EQUIPMENT, NET

	September 30, 2024	December 31, 2023	September 30, 2023
Land	\$ 17,414,366	\$ 17,403,987	\$ 17,403,987
Buildings	5,284,468	5,362,459	5,318,907
Machinery equipment	2,046,158	2,220,710	2,298,592
Transportation equipment	123,245	130,033	128,220
Miscellaneous equipment	115,766	110,269	112,168
Leasehold improvements	331,110	369,915	371,636
Prepayments for equipment	128,556	103,020	55,712
	<u>\$ 25,443,669</u>	<u>\$ 25,700,393</u>	<u>\$ 25,689,222</u>

	Land	Buildings	Machinery Equipment	Transportation Equipment	Miscellaneous Equipment	Leasehold Improvements	Prepayments for Equipment	Total
Cost								
Balance, January 1, 2024	\$ 17,403,987	\$ 8,752,343	\$ 5,188,817	\$ 248,877	\$ 271,727	\$ 884,089	\$ 103,020	\$ 32,852,860
Additions	-	36,164	300,961	24,628	40,341	52,994	233,948	689,036
Disposals	-	(11,567)	(399,765)	(24,353)	(73,447)	(164,418)	-	(673,550)
Reclassification	10,379	89,093	90,578	-	35,225	12,796	(208,412)	29,659
Effect of foreign currency exchange differences	-	-	1,208	-	-	3,327	-	4,535
Balance, September 30, 2024	<u>\$ 17,414,366</u>	<u>\$ 8,866,033</u>	<u>\$ 5,181,799</u>	<u>\$ 249,152</u>	<u>\$ 273,846</u>	<u>\$ 788,788</u>	<u>\$ 128,556</u>	<u>\$ 32,902,540</u>
Balance, January 1, 2023	\$ 17,385,229	\$ 8,647,522	\$ 5,485,322	\$ 204,454	\$ 264,084	\$ 800,049	\$ 56,111	\$ 32,842,771
Additions	-	28,433	343,365	48,889	28,083	88,205	98,696	635,671
Disposals	-	(25,921)	(560,042)	(12,306)	(22,753)	(29,071)	-	(650,093)
Reclassification	18,758	7,385	66,334	-	-	17,784	(99,095)	11,166
Effect of foreign currency exchange differences	-	-	(13)	-	-	90	-	75
Balance, September 30, 2023	<u>\$ 17,403,987</u>	<u>\$ 8,657,419</u>	<u>\$ 5,334,964</u>	<u>\$ 241,037</u>	<u>\$ 269,414</u>	<u>\$ 877,057</u>	<u>\$ 55,712</u>	<u>\$ 32,839,590</u>
Accumulated depreciation								
Balance, January 1, 2024	\$ -	\$ 3,389,884	\$ 2,968,107	\$ 118,844	\$ 161,458	\$ 514,174	\$ -	\$ 7,152,467
Depreciation expenses	-	199,884	589,642	31,385	34,626	105,648	-	961,185
Disposals	-	(11,567)	(390,073)	(24,322)	(73,229)	(164,421)	-	(663,612)
Reclassification	-	3,364	(33,028)	-	35,225	-	-	5,561
Effect of foreign currency exchange differences	-	-	993	-	-	2,277	-	3,270
Balance, September 30, 2024	<u>\$ -</u>	<u>\$ 3,581,565</u>	<u>\$ 3,135,641</u>	<u>\$ 125,907</u>	<u>\$ 158,080</u>	<u>\$ 457,678</u>	<u>\$ -</u>	<u>\$ 7,458,871</u>
Balance, January 1, 2023	\$ -	\$ 3,185,919	\$ 2,972,107	\$ 90,957	\$ 144,589	\$ 423,347	\$ -	\$ 6,816,919
Depreciation expenses	-	175,763	614,887	27,216	33,596	101,315	-	952,777
Disposals	-	(25,921)	(550,637)	(5,356)	(20,939)	(19,415)	-	(622,268)
Reclassification	-	2,751	13	-	-	(13)	-	2,751
Effect of foreign currency exchange differences	-	-	2	-	-	187	-	189
Balance, September 30, 2023	<u>\$ -</u>	<u>\$ 3,338,512</u>	<u>\$ 3,036,372</u>	<u>\$ 112,817</u>	<u>\$ 157,246</u>	<u>\$ 505,421</u>	<u>\$ -</u>	<u>\$ 7,150,368</u>

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

Buildings	5-56 years
Machinery equipment	1-10 years
Transportation equipment	4-6 years
Miscellaneous equipment	2-20 years
Leasehold improvements	1-50 years

No impairment assessment was performed because there was no indication of impairment for the nine months ended September 30, 2024 and 2023.

18. LEASE ARRANGEMENTS

a. Right-of-use assets, net

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Carrying amount</u>			
Buildings	\$ 2,130,252	\$ 2,272,768	\$ 2,344,690
Office and other equipment	2,232	4,619	7,350
Transportation equipment	<u>24,410</u>	<u>13,988</u>	<u>14,666</u>
	<u>\$ 2,156,894</u>	<u>\$ 2,291,375</u>	<u>\$ 2,366,706</u>
	For the Three Months Ended September 30		For the Nine Months Ended September 30
	2024	2023	2024
	2023	2024	2023
Additions to right-of-use assets			<u>\$ 514,196</u>
			<u>\$ 725,095</u>
Depreciation charge for right-of-use assets			
Buildings	\$ 213,612	\$ 210,439	\$ 635,150
Office and other equipment	988	2,732	3,168
Transportation equipment	<u>3,604</u>	<u>3,589</u>	<u>10,672</u>
	<u>\$ 218,204</u>	<u>\$ 216,760</u>	<u>\$ 648,990</u>
			<u>\$ 632,847</u>

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets for the nine months ended September 30, 2024 and 2023.

b. Lease liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
Carrying amount	<u>\$ 2,234,379</u>	<u>\$ 2,405,852</u>	<u>\$ 2,478,590</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Interest expense (other interest expense)	<u>\$ 6,318</u>	<u>\$ 6,383</u>	<u>\$ 19,267</u>	<u>\$ 19,111</u>

The Group leases buildings for the use of its bank branches and offices. Lease terms and range of discount rate for lease liabilities as of September 30, 2024, December 31, 2023 and September 30, 2023 were as follows:

	Lease Terms	Range of Discount Rate
<u>September 30, 2024</u>		
Buildings	1-10 years	0.346%-5.312%
Office and other equipment	2-6 years	0.560%-3.099%
Transportation equipment	1-5 years	4.067%-5.563%
<u>December 31, 2023</u>		
Buildings	1-10 years	0.336%-5.312%
Office and other equipment	2-6 years	0.560%-3.099%
Transportation equipment	1-3 years	4.341%-5.563%
<u>September 30, 2023</u>		
Buildings	1-10 years	0.336%-5.312%
Office and other equipment	2-6 years	0.528%-3.099%
Transportation equipment	1-3 years	4.341%-5.563%

c. Other lease information

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Expenses relating to short-term leases	<u>\$ 4,377</u>	<u>\$ 5,857</u>	<u>\$ 18,189</u>	<u>\$ 20,726</u>
Expenses relating to low-value asset leases	<u>\$ 1,022</u>	<u>\$ 1,520</u>	<u>\$ 5,586</u>	<u>\$ 5,661</u>
Total cash outflow for leases			<u>\$ 728,865</u>	<u>\$ 644,528</u>

Certain lease contracts of the Group qualify as short-term leases and low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

All lease commitments with lease terms commencing after the balance sheet date were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Lease commitments	<u>\$ 187,876</u>	<u>\$ 42,607</u>	<u>\$ 96,394</u>

19. INTANGIBLE ASSETS, NET

	September 30, 2024	December 31, 2023	September 30, 2023
Goodwill	\$ 1,567,391	\$ 1,567,391	\$ 1,567,391
Computer software	2,014,023	1,972,227	1,992,176
Other intangible assets	<u>20,625</u>	<u>25,703</u>	<u>26,437</u>
	<u>\$ 3,602,039</u>	<u>\$ 3,565,321</u>	<u>\$ 3,586,004</u>
		Computer Software	Other Intangible Assets
Balance, January 1, 2024		\$ 1,972,227	\$ 25,703
Additions		499,884	-
Disposals		-	(15)
Amortization		(463,355)	(5,063)
Reclassification		4,512	-
Effect of foreign currency exchange differences		<u>755</u>	<u>-</u>
Balance, September 30, 2024		<u>\$ 2,014,023</u>	<u>\$ 20,625</u>
Balance, January 1, 2023		\$ 1,963,516	\$ -
Additions		474,424	27,000
Amortization		(426,647)	(563)
Reclassification		(19,137)	-
Effect of foreign currency exchange differences		<u>20</u>	<u>-</u>
Balance, September 30, 2023		<u>\$ 1,992,176</u>	<u>\$ 26,437</u>

There was no significant disposal and impairment of the intangible assets held by the Group for the nine months ended September 30, 2024 and 2023. Refer to Note 19 to the consolidated financial statements as of and for the year ended December 31, 2023 for related information on intangible assets.

20. OTHER ASSETS, NET

	September 30, 2024	December 31, 2023	September 30, 2023
Prepayments	\$ 1,652,751	\$ 1,466,496	\$ 1,589,984
Refundable deposits	15,357,741	14,303,096	20,851,688
Operating guarantee deposits and settlement funds	1,969,139	1,690,206	1,692,866
Collateral, net	234,499	314,483	314,483
Others	<u>319,215</u>	<u>187,397</u>	<u>317,937</u>
	<u>\$ 19,533,345</u>	<u>\$ 17,961,678</u>	<u>\$ 24,766,958</u>

- a. Refer to Note 20 to the consolidated financial statements as of and for the year ended December 31, 2023 for related information on other assets, net.

- b. Refer to Note 48 for information relating to refundable deposits, operating guarantee deposits and settlement funds pledged as collateral.
- c. The loss allowance was measured at an amount equal to 12-month ECLs based on historical experience and forward-looking information; there was no loss allowance on refundable deposit as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively. As the Group's refundable deposits were measured using ECLs model, the Group didn't recognize impairment loss on assets for the three months ended September 30, 2024 and 2023, respectively, and recognized reversal of impairment loss on assets amounted to \$0 thousand and \$25 thousand for the nine months ended September 30, 2024 and 2023, respectively.
- d. The loss allowance was measured at an amount equal to 12-month ECLs based on historical experience and forward-looking information; there was no loss allowance on operating guarantee deposits and settlement funds as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively.

21. DEPOSITS FROM THE CENTRAL BANK AND BANKS

	September 30, 2024	December 31, 2023	September 30, 2023
Deposits from other banks	\$ 7,229,595	\$ 7,257,455	\$ 7,071,828
Call loans from other banks	25,839,311	7,406,384	6,902,912
Bank overdrafts	8,419,079	2,332,627	2,703,849
Deposits from the Central Bank	<u>103,115</u>	<u>74,841</u>	<u>89,713</u>
	<u>\$ 41,591,100</u>	<u>\$ 17,071,307</u>	<u>\$ 16,768,302</u>

22. COMMERCIAL PAPERS ISSUED, NET

	September 30, 2024	December 31, 2023	September 30, 2023
Union Bills Finance	\$ 1,400,000	\$ 650,000	\$ 1,030,000
Grand Bills Finance	4,085,000	3,868,000	3,710,000
China Bills Finance	8,680,000	4,405,000	4,643,000
Ta Ching Bills Finance	3,156,000	1,010,000	730,000
International Bills Finance	1,950,000	1,380,000	1,400,000
Taiwan Finance Corporation	2,775,000	1,540,000	1,885,000
Mega Bills Finance	6,665,000	2,760,000	3,030,000
Bank SinoPac	6,500,000	4,750,000	3,650,000
KGI Bank	1,700,000	1,500,000	2,450,000
Taiwan Cooperative Bills Finance	2,500,000	1,250,000	1,100,000
Taipei Fubon Commercial Bank	1,900,000	2,590,000	250,000
Cathay United Bank	-	1,000,000	1,000,000
Yuanta Commercial Bank	-	300,000	-
China Trust Commercial Bank	2,200,000	400,000	1,120,000
Union Bank of Taiwan	1,000,000	1,700,000	800,000
Sunny Commercial Bank	1,550,000	1,150,000	1,550,000
O-Bank	-	-	300,000
Less: Discounts on commercial papers issued	<u>(82,698)</u>	<u>(29,995)</u>	<u>(35,384)</u>
	<u>\$ 45,978,302</u>	<u>\$ 30,223,005</u>	<u>\$ 28,612,616</u>

As of September 30, 2024, December 31, 2023 and September 30, 2023, the interest rate ranges of commercial papers issued were 0.78%-2.08%, 0.78%-2.00% and 0.78%-2.04%, respectively.

23. PAYABLES

	September 30, 2024	December 31, 2023	September 30, 2023
Notes and accounts payable	\$ 15,937,358	\$ 8,785,896	\$ 17,188,727
Delivery accounts payable	9,695,639	7,222,643	3,965,003
Accrued expenses	9,379,717	9,359,354	7,923,264
Interest payable	9,514,002	7,396,460	8,333,953
Checks for clearance payable	540,902	1,600,245	1,533,955
Collection payable	4,863,174	902,451	1,721,098
Settlement	3,071,694	723,987	1,960,954
Tax payable	343,280	543,949	279,147
Other payables	<u>3,239,971</u>	<u>2,764,709</u>	<u>2,990,401</u>
	<u>\$ 56,585,737</u>	<u>\$ 39,299,694</u>	<u>\$ 45,896,502</u>

24. DEPOSITS AND REMITTANCES

	September 30, 2024	December 31, 2023	September 30, 2023
Checking deposits	\$ 6,541,741	\$ 6,935,457	\$ 6,658,597
Demand deposits	491,517,130	446,385,271	433,598,281
Time deposits	732,998,800	629,699,052	602,845,362
Negotiable certificates of deposit	5,480,396	1,573,700	1,822,927
Savings deposits	1,040,525,018	1,008,447,999	997,555,298
Public treasury deposits	13,209,600	8,364,208	8,912,564
Remittances	<u>2,500,858</u>	<u>1,107,959</u>	<u>1,858,714</u>
	<u>\$ 2,292,773,543</u>	<u>\$ 2,102,513,646</u>	<u>\$ 2,053,251,743</u>

25. BONDS PAYABLE

	September 30, 2024	December 31, 2023	September 30, 2023
Corporate bonds	\$ 35,300,000	\$ 35,300,000	\$ 35,300,000
Exchangeable corporate bonds	5,025,000	5,025,000	5,025,000
Less: Discount on exchangeable corporate bonds	<u>(87,023)</u>	<u>(180,398)</u>	<u>(211,750)</u>
	40,237,977	40,144,602	40,113,250
Bank notes payable	<u>25,000,000</u>	<u>28,000,000</u>	<u>28,000,000</u>
	<u>\$ 65,237,977</u>	<u>\$ 68,144,602</u>	<u>\$ 68,113,250</u>

Corporate Bonds Issued by Taishin Financial Holding

To raise working capital and strengthen its financial structure, Taishin Financial Holding issued unsecured subordinated corporate bonds, unsecured ordinary corporate bonds and unsecured exchangeable corporate bonds under SFB approval. The bond issuance terms were as follows:

a. Domestic unsecured subordinated corporate bonds and unsecured ordinary corporate bonds

	September 30, 2024	December 31, 2023	September 30, 2023
Unsecured Subordinated Corporate Bonds - 2017 (I)	\$ 8,000,000	\$ 8,000,000	\$ 8,000,000
Unsecured Subordinated Corporate Bonds - 2018 (I)	7,000,000	7,000,000	7,000,000
Unsecured Subordinated Corporate Bonds - 2019 (I)	7,000,000	7,000,000	7,000,000
Unsecured Ordinary Corporate Bonds - 2020 (I)	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>
	<u>\$ 32,000,000</u>	<u>\$ 32,000,000</u>	<u>\$ 32,000,000</u>

b. Domestic unsecured exchangeable corporate bonds

Name of Bond	Duration	Interest Rate	Total Issued Amount	September 30, 2024	December 31, 2023	September 30, 2023
Domestic unsecured exchangeable corporate bonds	2022.4.1-2025.4.1	0%	\$ 5,025,000	<u>\$ 4,937,977</u>	<u>\$ 4,844,602</u>	<u>\$ 4,813,250</u>

As of September 30, 2024, the Company has not redeemed any of its exchangeable corporate bonds from the Taipei Exchange, nor have any bondholders exercised their exchange right.

Refer to Note 25 to the consolidated financial statements as of and for the year ended December 31, 2023 for related information on the unsecured subordinated corporate bonds, unsecured ordinary corporate bonds and unsecured exchangeable corporate bonds under SFB approval.

Bank Notes Payable Issued by Taishin Bank

Taishin Bank has issued bank notes payable to enhance its capital ratio and raise medium to long-term operating funds. Details of the bank notes payable were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Subordinated Bank Notes Payable - 2014 (III)	\$ -	\$ 3,000,000	\$ 3,000,000
Subordinated Bank Notes Payable - 2015 (I)	9,100,000	9,100,000	9,100,000
Subordinated Bank Notes Payable - 2015 (II)	6,000,000	6,000,000	6,000,000
Subordinated Bank Notes Payable - 2015 (III)	4,900,000	4,900,000	4,900,000
Subordinated Bank Notes Payable - 2019 (I)	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
	<u>\$ 25,000,000</u>	<u>\$ 28,000,000</u>	<u>\$ 28,000,000</u>

The full redemption of subordinated bank notes payable - 2014 (III) was completed on May 16, 2024. Refer to Note 25 to the consolidated financial statements as of and for the year ended December 31, 2023 for related information on bank notes payable.

Subordinated Corporate Bonds Issued by Taishin Securities B

To raise medium to long-term operating funds and strengthen its capital structure, Taishin Securities B issued unsecured subordinated corporate bonds - 2020 (I) on January 10, 2020. The total issuance amount was \$3,300,000 thousand and the issuance period is 10 years. A one-time repayment of principal will be made in full upon maturity on January 10, 2030, and interest will be repaid annually at a fixed coupon rate of 1.35%.

	September 30, 2024	December 31, 2023	September 30, 2023
Unsecured Subordinated Corporate Bonds - 2020 (I)	<u>\$ 3,300,000</u>	<u>\$ 3,300,000</u>	<u>\$ 3,300,000</u>

26. OTHER BORROWINGS

	September 30, 2024	December 31, 2023	September 30, 2023
Short-term unsecured borrowings	\$ 8,681,448	\$ 5,407,464	\$ 4,913,204
Long-term borrowings	<u>2,738,582</u>	<u>4,980,137</u>	<u>5,868,880</u>
	<u>\$ 11,420,030</u>	<u>\$ 10,387,601</u>	<u>\$ 10,782,084</u>

As of September 30, 2024, December 31, 2023 and September 30, 2023, the interest rate on short-term unsecured borrowings ranged from 1.85%-6.02%, 1.65%-5.55% and 1.79%-4.15%, respectively.

As of September 30, 2024, December 31, 2023 and September 30, 2023, the interest rate on long-term borrowings ranged from 3.49%-4.10%, 4.45%-4.74% and 4.45%-5.17%, respectively.

27. PROVISIONS

	September 30, 2024	December 31, 2023	September 30, 2023
Insurance liabilities (Note 28)	\$ 259,700,086	\$ 239,471,817	\$ 238,986,831
Provisions for employee benefits (Note 32)	1,297,189	1,362,922	1,314,633
Provisions for guarantee liabilities	316,501	280,152	284,228
Provisions for loan commitments	192,967	187,967	187,967
Other provisions	<u>127,066</u>	<u>123,683</u>	<u>124,735</u>
	<u>\$ 261,633,809</u>	<u>\$ 241,426,541</u>	<u>\$ 240,898,394</u>

	Provisions for Guarantee Liabilities	Provisions for Loan Commitments	Other Provisions
Balance, January 1, 2024	\$ 280,152	\$ 187,967	\$ 123,683
Provision (reverse)	35,327	4,028	2,659
Effect of foreign currency exchange differences	<u>1,022</u>	<u>972</u>	<u>724</u>
Balance, September 30, 2024	<u>\$ 316,501</u>	<u>\$ 192,967</u>	<u>\$ 127,066</u>
Balance, January 1, 2023	\$ 224,565	\$ 183,367	\$ 123,564
Provision (reverse)	58,368	3,882	(7)
Effect of foreign currency exchange differences	<u>1,295</u>	<u>718</u>	<u>1,178</u>
Balance, September 30, 2023	<u>\$ 284,228</u>	<u>\$ 187,967</u>	<u>\$ 124,735</u>

Refer to Note 27 to consolidated financial statement as of and for the year ended December 31, 2023 for related information on provisions for liabilities.

The amount of the loss allowance for financial guarantees (including provisions for guarantee liabilities and letters of credit recognized in the other provisions) and loan commitments were as follows:

	12-month ECLs	Lifetime ECLs - Not Credit-impaired	Lifetime ECLs - Credit-impaired	Loss Allowance under IFRS 9	Recognized Based on the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans	Total
September 30, 2024	\$ 102,507	\$ 9,857	\$ 5,869	\$ 118,233	\$ 396,261	\$ 514,494
December 31, 2023	190,630	16,541	5,013	212,184	260,961	473,145
September 30, 2023	181,636	15,978	5,750	203,364	273,857	477,221

28. INSURANCE LIABILITIES

	September 30, 2024	December 31, 2023	September 30, 2023
Unearned premium reserve	\$ 1,301,519	\$ 1,190,540	\$ 1,170,175
Loss reserve	1,912,262	1,692,502	1,620,409
Policy reserve	233,765,388	213,381,722	212,238,555
Premium deficiency reserve	259,561	305,766	340,970
Reserve for insurance contracts with the nature of financial products	1,558	1,742	1,666
Reserve for foreign exchange valuation	664,717	414,258	898,410
Other reserves	<u>21,795,081</u>	<u>22,485,287</u>	<u>22,716,646</u>
	<u>\$ 259,700,086</u>	<u>\$ 239,471,817</u>	<u>\$ 238,986,831</u>

Other reserves are the Group's compliance with IFRS 3 "Business Combinations". The acquirer measures the insurance liabilities and assets acquired by the business combinations on the basis of their fair value on the acquisition date, as it reflects the fair value of the insurance contracts.

Net changes in insurance liability reserves were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Provision of policy reserve	\$ 6,288,456	\$ 3,830,890	\$ 18,327,962	\$ 13,563,817
Provision of loss reserve	76,879	58,041	204,518	204,538
Provision of premium deficiency reserve	(20,801)	(13,152)	(54,096)	(33,084)
Net changes in unearned premium reserve	20,937	(9,123)	57,905	32,075
Net changes in reserve for insurance contracts with the nature of financial products	<u>(66)</u>	<u>(101)</u>	<u>(184)</u>	<u>(276)</u>
	<u>6,365,405</u>	<u>3,866,555</u>	<u>18,536,105</u>	<u>13,767,070</u>
Net changes in other reserves	<u>(227,488)</u>	<u>(231,361)</u>	<u>(690,206)</u>	<u>(700,949)</u>
	<u>\$ 6,137,917</u>	<u>\$ 3,635,194</u>	<u>\$ 17,845,899</u>	<u>\$ 13,066,121</u>

a. Unearned premium reserve

	September 30, 2024			December 31, 2023			September 30, 2023		
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total
Individual life insurance	\$ 50,087	\$ -	\$ 50,087	\$ 48,387	\$ -	\$ 48,387	\$ 49,060	\$ -	\$ 49,060
Individual injury insurance	96,684	-	96,684	95,594	-	95,594	95,653	-	95,653
Individual health insurance	1,127,319	-	1,127,319	1,020,108	-	1,020,108	999,251	-	999,251
Investment-linked insurance	27,429	-	27,429	26,451	-	26,451	26,211	-	26,211
	<u>1,301,519</u>	<u>-</u>	<u>1,301,519</u>	<u>1,190,540</u>	<u>-</u>	<u>1,190,540</u>	<u>1,170,175</u>	<u>-</u>	<u>1,170,175</u>
Less ceded unearned premium reserve									
Individual life insurance	178,204	-	178,204	132,866	-	132,866	139,075	-	139,075
Individual injury insurance	14,518	-	14,518	14,798	-	14,798	14,923	-	14,923
Individual health insurance	132,244	-	132,244	122,810	-	122,810	119,729	-	119,729
Investment-linked insurance	31,245	-	31,245	31,720	-	31,720	31,690	-	31,690
	<u>356,211</u>	<u>-</u>	<u>356,211</u>	<u>302,194</u>	<u>-</u>	<u>302,194</u>	<u>305,417</u>	<u>-</u>	<u>305,417</u>
	<u>\$ 945,308</u>	<u>\$ -</u>	<u>\$ 945,308</u>	<u>\$ 888,346</u>	<u>\$ -</u>	<u>\$ 888,346</u>	<u>\$ 864,758</u>	<u>\$ -</u>	<u>\$ 864,758</u>

The changes in unearned premium reserve are as follows:

	For the Nine Months Ended September 30					
	2024			2023		
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total
Beginning balance	\$ 1,190,540	\$ -	\$ 1,190,540	\$ 1,113,467	\$ -	\$ 1,113,467
Provision	1,301,495	-	1,301,495	1,170,133	-	1,170,133
Recovery	(1,190,540)	-	(1,190,540)	(1,113,467)	-	(1,113,467)
Effect of foreign currency exchange differences	24	-	24	42	-	42
Ending balance	<u>1,301,519</u>	<u>-</u>	<u>1,301,519</u>	<u>1,170,175</u>	<u>-</u>	<u>1,170,175</u>
Less ceded unearned premium reserve						
Beginning balance	302,194	-	302,194	278,777	-	278,777
Increase	355,244	-	355,244	303,368	-	303,368
Decrease	(302,194)	-	(302,194)	(278,777)	-	(278,777)
Effect of foreign currency exchange differences	967	-	967	2,049	-	2,049
Ending balance	<u>356,211</u>	<u>-</u>	<u>356,211</u>	<u>305,417</u>	<u>-</u>	<u>305,417</u>
Net ending balance	<u>\$ 945,308</u>	<u>\$ -</u>	<u>\$ 945,308</u>	<u>\$ 864,758</u>	<u>\$ -</u>	<u>\$ 864,758</u>

b. Loss reserve

	September 30, 2024			December 31, 2023			September 30, 2023		
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total
Individual life insurance									
Filed not yet paid	\$ 942,759	\$ -	\$ 942,759	\$ 942,305	\$ -	\$ 942,305	\$ 934,525	\$ -	\$ 934,525
Individual injury insurance									
Filed not yet paid	8,800	-	8,800	2,840	-	2,840	7,064	-	7,064
Not yet filed	12,668	-	12,668	11,221	-	11,221	10,594	-	10,594
Individual health insurance									
Filed not yet paid	679,950	-	679,950	512,612	-	512,612	455,347	-	455,347
Not yet filed	237,936	-	237,936	220,862	-	220,862	211,165	-	211,165
Investment-linked insurance									
Filed not yet paid	30,149	-	30,149	2,662	-	2,662	1,714	-	1,714
	<u>1,912,262</u>	<u>-</u>	<u>1,912,262</u>	<u>1,692,502</u>	<u>-</u>	<u>1,692,502</u>	<u>1,620,409</u>	<u>-</u>	<u>1,620,409</u>
Less ceded loss reserve									
Individual life insurance	2,083	-	2,083	1,524	-	1,524	2,071	-	2,071
Individual injury insurance	2,959	-	2,959	8	-	8	603	-	603
Individual health insurance	75,258	-	75,258	64,216	-	64,216	45,058	-	45,058
Investment-linked insurance	147	-	147	-	-	-	-	-	-
	<u>80,447</u>	<u>-</u>	<u>80,447</u>	<u>65,748</u>	<u>-</u>	<u>65,748</u>	<u>47,732</u>	<u>-</u>	<u>47,732</u>
	<u>\$ 1,831,815</u>	<u>\$ -</u>	<u>\$ 1,831,815</u>	<u>\$ 1,626,754</u>	<u>\$ -</u>	<u>\$ 1,626,754</u>	<u>\$ 1,572,677</u>	<u>\$ -</u>	<u>\$ 1,572,677</u>

The changes in loss reserve are as follows:

	For the Nine Months Ended September 30					
	2024			2023		
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total
Beginning balance	\$ 1,692,502	\$ -	\$ 1,692,502	\$ 1,414,495	\$ -	\$ 1,414,495
Provision	1,911,635	-	1,911,635	1,619,065	-	1,619,065
Recovery	(1,692,502)	-	(1,692,502)	(1,414,495)	-	(1,414,495)
Effect of foreign currency exchange differences	627	-	627	1,344	-	1,344
Ending balance	<u>1,912,262</u>	<u>-</u>	<u>1,912,262</u>	<u>1,620,409</u>	<u>-</u>	<u>1,620,409</u>
Less ceded loss reserve						
Beginning balance	65,748	-	65,748	47,369	-	47,369
Increase	80,381	-	80,381	47,393	-	47,393
Decrease	(65,766)	-	(65,766)	(47,361)	-	(47,361)
Effect of foreign currency exchange differences	84	-	84	331	-	331
Ending balance	<u>80,447</u>	<u>-</u>	<u>80,447</u>	<u>47,732</u>	<u>-</u>	<u>47,732</u>
Net ending balance	<u>\$ 1,831,815</u>	<u>\$ -</u>	<u>\$ 1,831,815</u>	<u>\$ 1,572,677</u>	<u>\$ -</u>	<u>\$ 1,572,677</u>

c. Policy reserve

	September 30, 2024			December 31, 2023			September 30, 2023		
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total
Life insurance	\$ 205,304,229	\$ -	\$ 205,304,229	\$ 186,635,392	\$ -	\$ 186,635,392	\$ 186,088,868	\$ -	\$ 186,088,868
Health insurance	26,557,473	-	26,557,473	24,903,924	-	24,903,924	24,306,241	-	24,306,241
Annuity insurance	30,733	-	30,733	31,042	-	31,042	31,341	-	31,341
Investment-linked insurance	1,656,996	-	1,656,996	1,626,017	-	1,626,017	1,629,313	-	1,629,313
Transferred-in unwritten-off balance of 3% decrease in business tax	158,276	-	158,276	158,276	-	158,276	158,276	-	158,276
Transferred-in recovery of catastrophe reserve	5,021	-	5,021	5,021	-	5,021	5,021	-	5,021
	<u>233,712,728</u>	<u>-</u>	<u>233,712,728</u>	<u>213,359,672</u>	<u>-</u>	<u>213,359,672</u>	<u>212,219,060</u>	<u>-</u>	<u>212,219,060</u>
Less ceded policy reserve	-	-	-	-	-	-	-	-	-
	<u>\$ 233,712,728</u>	<u>\$ -</u>	<u>\$ 233,712,728</u>	<u>\$ 213,359,672</u>	<u>\$ -</u>	<u>\$ 213,359,672</u>	<u>\$ 212,219,060</u>	<u>\$ -</u>	<u>\$ 212,219,060</u>

Reserve for life insurance liability plus “Reserve for life insurance - pending payments to insured” and additional liability reserve under the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises were \$233,765,388 thousand, \$213,381,722 thousand and \$212,238,555 thousand as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively.

The changes in policy reserve are as follows:

	For the Nine Months Ended September 30					
	2024			2023		
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total
Beginning balance	\$ 213,359,672	\$ -	\$ 213,359,672	\$ 195,285,966	\$ -	\$ 195,285,966
Provision	24,222,440	-	24,222,440	17,506,597	-	17,506,597
Recovery	(5,894,478)	-	(5,894,478)	(3,942,780)	-	(3,942,780)
Effect of foreign currency exchange differences	2,025,094	-	2,025,094	3,369,277	-	3,369,277
Ending balance	<u>233,712,728</u>	<u>-</u>	<u>233,712,728</u>	<u>212,219,060</u>	<u>-</u>	<u>212,219,060</u>
Less ceded policy reserve	-	-	-	-	-	-
Net ending balance	<u>\$ 233,712,728</u>	<u>\$ -</u>	<u>\$ 233,712,728</u>	<u>\$ 212,219,060</u>	<u>\$ -</u>	<u>\$ 212,219,060</u>

d. Premium deficiency reserve

	September 30, 2024			December 31, 2023			September 30, 2023		
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total
Individual life insurance	\$ 254,102	\$ -	\$ 254,102	\$ 299,269	\$ -	\$ 299,269	\$ 333,423	\$ -	\$ 333,423
Individual health insurance	5,459	-	5,459	6,497	-	6,497	7,540	-	7,540
Investment-linked insurance	-	-	-	-	-	-	7	-	7
	<u>259,561</u>	<u>-</u>	<u>259,561</u>	<u>305,766</u>	<u>-</u>	<u>305,766</u>	<u>340,970</u>	<u>-</u>	<u>340,970</u>
Less ceded premium deficiency reserve	-	-	-	-	-	-	-	-	-
	<u>\$ 259,561</u>	<u>\$ -</u>	<u>\$ 259,561</u>	<u>\$ 305,766</u>	<u>\$ -</u>	<u>\$ 305,766</u>	<u>\$ 340,970</u>	<u>\$ -</u>	<u>\$ 340,970</u>

The changes in premium deficiency reserve are as follows:

	For the Nine Months Ended September 30					
	2024			2023		
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total
Beginning balance	\$ 305,766	\$ -	\$ 305,766	\$ 360,431	\$ -	\$ 360,431
Provision	13,285	-	13,285	28,944	-	28,944
Recovery	(67,381)	-	(67,381)	(62,028)	-	(62,028)
Effect of foreign currency exchange differences	<u>7,891</u>	<u>-</u>	<u>7,891</u>	<u>13,623</u>	<u>-</u>	<u>13,623</u>
Ending balance	<u>259,561</u>	<u>-</u>	<u>259,561</u>	<u>340,970</u>	<u>-</u>	<u>340,970</u>
Less ceded premium deficiency reserve	-	-	-	-	-	-
Net ending balance	<u>\$ 259,561</u>	<u>\$ -</u>	<u>\$ 259,561</u>	<u>\$ 340,970</u>	<u>\$ -</u>	<u>\$ 340,970</u>

e. Liability adequacy reserve

	Insurance Contracts and Financial Instruments with Discretionary Participation Features		
	September 30, 2024	December 31, 2023	September 30, 2023
Unearned premium reserve	\$ 1,301,519	\$ 1,190,540	\$ 1,170,175
Policy reserve	233,554,452	213,201,396	212,060,784
Premium deficiency reserve	<u>259,561</u>	<u>305,766</u>	<u>340,970</u>
Carrying amount of insurance liability	<u>\$ 235,115,532</u>	<u>\$ 214,697,702</u>	<u>\$ 213,571,929</u>
Current estimates of cash flows	<u>\$ 154,938,989</u>	<u>\$ 148,993,261</u>	<u>\$ 153,737,716</u>
Balance of liability adequacy reserve	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note 1: Shown by liability adequacy test range (integrated contract).

Note 2: The loss reserve is determined based on claims incurred before valuation date and therefore not included in the liability adequacy test.

Note 3: Transferred-in unwritten-off balance of 3% decrease in business tax and the policy-reserve payable for the insured were not included in the liability adequacy test.

As of September 30, 2024, December 31, 2023 and September 30, 2023, Taishin Life Insurance was not required to provide liability adequacy reserve after evaluation.

Method used in the liability adequacy test is shown as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Test method	Gross premium valuation method (GPV)	Gross premium valuation method (GPV)	Gross premium valuation method (GPV)
Test groups	Integrated testing	Integrated testing	Integrated testing
Significant assumptions	The assumption of discount rate of every year was based on the best estimate scenario as well as the rate of return on investment with current information	The assumption of discount rate of every year was based on the best estimate scenario as well as the rate of return on investment with current information	The assumption of discount rate of every year was based on the best estimate scenario as well as the rate of return on investment with current information

f. Reserve for insurance contracts with the nature of financial products

	September 30, 2024	December 31, 2023	September 30, 2023
Investment-linked insurance - annuity insurance	<u>\$ 1,558</u>	<u>\$ 1,742</u>	<u>\$ 1,666</u>

The Group issued financial instrument without discretionary participation feature and recognized reserve for insurance contracts with the nature of financial products. The changes in reserve for insurance contracts with the nature of financial products were as follows:

Investment-linked insurance - annuity insurance

	For the Nine Months Ended September 30	
	2024	2023
Beginning balance	\$ 1,742	\$ 1,942
Net recovery of legal reserve	<u>(184)</u>	<u>(276)</u>
Ending balance	<u>\$ 1,558</u>	<u>\$ 1,666</u>

g. Reserve for foreign exchange valuation

In accordance with the “Regulation Governing the Setting Aside of Various Reserves by Insurance Enterprises”, the Group set aside reserve for foreign exchange valuation under liabilities. Details are as follows:

	For the Nine Months Ended September 30	
	2024	2023
Beginning balance	<u>\$ 414,258</u>	<u>\$ 915,295</u>
Provision		
Compulsory provision	96,582	61,987
Additional provision	<u>762,797</u>	<u>358,078</u>
	859,379	420,065
Recovery	<u>(608,920)</u>	<u>(436,950)</u>
Ending balance	<u>\$ 664,717</u>	<u>\$ 898,410</u>

The effects applicable or inapplicable for reserve for foreign exchange valuation for the nine months ended September 30, 2024 and 2023 were as follows:

Accounts	For the Nine Months Ended September 30, 2024		
	Inapplicable Amount	Applicable Amount	Effect
Net income attributable to owners of parent	\$ 16,860,029	\$ 16,659,662	\$ (200,367)
Earnings per share	1.18	1.17	(0.01)
Reserve for foreign exchange valuation	-	664,717	664,717
Equity attributable to owners of parent	226,253,649	225,847,252	(406,397)

Accounts	For the Nine Months Ended September 30, 2023		
	Inapplicable Amount	Applicable Amount	Effect
Net income attributable to owners of parent	\$ 12,088,026	\$ 12,101,534	\$ 13,508
Earnings per share	0.82	0.82	-
Reserve for foreign exchange valuation	-	898,410	898,410
Equity attributable to owners of parent	210,202,938	209,609,586	(593,352)

Note: Refer to Note 42 for information on the earnings per share after retrospective adjustment.

29. OTHER FINANCIAL LIABILITIES

	September 30, 2024	December 31, 2023	September 30, 2023
Principal of structured products	\$ 100,304,597	\$ 105,256,251	\$ 110,400,250
Gold account	735,096	440,430	563,975
Futures traders' equity	3,938,157	2,276,298	1,966,783
Separate account insurance product liabilities (Note 31)	<u>42,195,437</u>	<u>33,883,725</u>	<u>32,355,816</u>
	<u>\$ 147,173,287</u>	<u>\$ 141,856,704</u>	<u>\$ 145,286,824</u>

30. OTHER LIABILITIES

	September 30, 2024	December 31, 2023	September 30, 2023
Unearned revenue	\$ 733,773	\$ 650,682	\$ 508,192
Unearned interest	1,412,191	1,182,482	1,117,117
Guarantee deposits	3,088,431	5,910,264	4,832,452
Deferred income	1,284,438	893,830	909,565
Temporary credits	1,191,842	891,706	872,536
Receivable from underwriting of shares	2,236,957	227,754	5,652
Others	<u>45,581</u>	<u>50,014</u>	<u>40,014</u>
	<u>\$ 9,993,213</u>	<u>\$ 9,806,732</u>	<u>\$ 8,285,528</u>

31. SEPARATE ACCOUNT INSURANCE PRODUCTS

	September 30, 2024	December 31, 2023	September 30, 2023
Separate account insurance product assets			
Cash in bank	\$ 2,201,746	\$ 1,936,258	\$ 1,930,358
Financial assets at FVTPL	39,496,557	31,446,444	29,581,249
Interest receivable	7,672	11,254	7,141
Other receivables	<u>489,462</u>	<u>489,769</u>	<u>837,068</u>
	<u>\$ 42,195,437</u>	<u>\$ 33,883,725</u>	<u>\$ 32,355,816</u>
Separate account insurance product liabilities			
Other payables	\$ 205,940	\$ 402,036	\$ 309,822
Reserve for insurance products	29,176,101	25,822,415	25,026,972
Reserve for investment contracts	<u>12,813,396</u>	<u>7,659,274</u>	<u>7,019,022</u>
	<u>\$ 42,195,437</u>	<u>\$ 33,883,725</u>	<u>\$ 32,355,816</u>

- a. The related income statement accounts of the Group's separate account insurance products were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Separate account insurance product income				
Premium income	\$ 681,667	\$ 230,722	\$ 1,638,047	\$ 637,093
Interest income	6,355	6,321	16,199	11,831
Gain (loss) on financial assets and liabilities at FVTPL	<u>(45,293)</u>	<u>(74,878)</u>	<u>2,747,448</u>	<u>1,960,397</u>
	<u>\$ 642,729</u>	<u>\$ 162,165</u>	<u>\$ 4,401,694</u>	<u>\$ 2,609,321</u>
Separate account insurance product expenses				
Provision (reversal) of separate account reserve	\$ 169,910	\$ (160,627)	\$ 3,249,178	\$ 1,849,272
Claims, payments and surrender	324,922	188,774	829,301	476,924
Administrative expenses	<u>147,897</u>	<u>134,018</u>	<u>323,215</u>	<u>283,125</u>
	<u>\$ 642,729</u>	<u>\$ 162,165</u>	<u>\$ 4,401,694</u>	<u>\$ 2,609,321</u>

- b. The rebates earned from counterparties due to the business of separate account insurance products amounted to \$24,799 thousand and \$39,147 thousand for the three months ended September 30, 2024 and 2023, respectively, and amounted to \$70,595 thousand and \$77,766 thousand for the nine months ended September 30, 2024 and 2023, respectively, which were recorded under service fee income.

32. POST-EMPLOYMENT BENEFIT PLANS

Except for the followings, refer to Note 32 to the consolidated financial statements as of and for the year ended December 31, 2023 for information on defined benefits.

Pension cost for the three months ended September 30, 2024 and 2023 and the nine months ended September 30, 2024 and 2023 was calculated on a year-to-date basis by using the actuarially determined pension cost rates at the end of the prior financial year. Refer to Note 39 for information on employee benefits expense.

33. EQUITY

a. Share capital

	September 30, 2024	December 31, 2023	September 30, 2023
Number of shares authorized (in thousands)	<u>20,000,000</u>	<u>20,000,000</u>	<u>20,000,000</u>
Shares authorized	<u>\$ 200,000,000</u>	<u>\$ 200,000,000</u>	<u>\$ 200,000,000</u>
Number of shares issued and fully paid (in thousands)			
Ordinary shares	<u>12,976,144</u>	<u>12,477,062</u>	<u>12,477,062</u>
Preferred shares	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,100,000</u>
Capital shares issued and outstanding	<u>\$ 140,761,443</u>	<u>\$ 135,770,618</u>	<u>\$ 135,770,618</u>

Taishin Financial Holding's shareholders had resolved the transfer of \$4,990,825 thousand of earnings to ordinary shares in the shareholders' meeting on June 14, 2024. The ex-dividend date was set on August 12, 2024, and the registration of the conversion had been completed.

- b. In accordance with Article 8-4 of the Articles of Incorporation, the Company issued Class E registered preferred shares ("Class E preferred shares"), which totaled 500,000 thousand shares, with a par value of NT\$10. The issue price was NT\$50 per share, and the total amount issued was \$25,000,000 thousand on December 28, 2016. The issuance of shares was approved by the FSC under its Order No. 1050041849 issued on October 26, 2016, and the change in registration was approved by the ROC Ministry of Economic Affairs under its Order No. 10501302230 on January 5, 2017. The Class E preferred shares was listed on Taiwan Stock Exchange on February 10, 2017.

The rights and other important terms of issue associated with Class E preferred shares are as follows:

- 1) Tenor: Perpetual.
- 2) Dividend yield: An annual dividend yield is set at 4.75% (7-year IRS 1.2175% + 3.5325%) per annum of the issue price at the pricing day. The 7-year IRS will be reset on the next business day after each seventh anniversary day after issuance and thereafter. The pricing date for reset is the second business day of financial industry in Taipei immediately preceding each reset date. The 7-year IRS rate is the arithmetic mean of 7-year IRS rates appearing on Reuters pages "PYTWDFIX" and "COSMOS3" at 11:00 a.m. (Taipei time) on the relevant pricing date for reset. If such rate cannot be obtained, the Company will determine the rate based on reasonable market price with good faith. The annual dividend yield has been reset at 4.8725% since December 28, 2023.

- 3) Dividend payment: In years when there is insufficient or no surplus to fully pay off dividends for Class E preferred shareholders, the unpaid dividend will not be carried forward to years with earnings. The Company has sole discretion over the distribution of Class E preferred share dividends. Earnings distribution proposals will be devised by the board of directors in accordance with Article 40-1 of the Articles of Incorporation and then submitted to the annual general meeting of shareholders for acknowledgment. Any earnings available for distribution to preferred shares and ordinary shares under an acknowledged earnings distribution proposal shall be distributed according to the Articles of Incorporation. Dividends on Class E preferred shares will be paid in cash. Once the Company's financial statements have been acknowledged and earnings distributions approved during the annual general meeting of shareholders, the board of directors shall be authorized to set the ex-dividend date for the distribution of the Class E preferred share dividend. Dividends that are payable for the year of issuance shall be prorated according to the actual number of days the shares have been in circulation since the date of issue, relative to the total number of days of that year. In the year of redemption, the distribution of the payable dividends shall be calculated based on the actual number of days the preferred shares remained outstanding in that year.
 - 4) Restrictions on payment of dividends to ordinary shares: Except for the dividends prescribed in the preceding subparagraphs herein, Class E preferred shareholders are not entitled to participate in the distribution of cash or stock dividends with regard to the ordinary shares and other preferred shares derived from earnings or capital reserves.
 - 5) Redemption: Seven years after the issue date, the Company may at any time, subject to the competent authority's approval, recall a portion or all of the outstanding Class E preferred shares at the issue price. The rights and obligations associated with any remaining outstanding Class E preferred shares shall continue as specified herein.
 - 6) Liquidation preference: In the event of liquidation, Class E preferred shareholders shall be given priority over ordinary shareholders when claiming the Company's remaining assets. The amount claimed shall not exceed the issuance amount of outstanding Class E preferred shares.
 - 7) Voting rights or election rights: Class E preferred shareholders are not entitled to any voting rights or election rights in shareholders' meetings. However, they may vote in Class E preferred shareholders' meetings and in general shareholders' meetings with regard to agenda items concerning the rights and obligations of Class E preferred shareholders.
 - 8) Class E preferred shares shall not be converted into ordinary shares. The Class E preferred shareholders shall not require the Company to redeem the rights of the Class E preferred shares.
 - 9) When the Company issues new shares for capital raising, Class E preferred shareholders shall be entitled to preemptive rights on the new shares equivalent to those of ordinary shareholders.
- c. In accordance with Article 8-4 of the Articles of Incorporation, the Company issued Class E registered preferred shares ("Class E preferred shares"), which totaled 300,000 thousand shares, with a par value of NT\$10. The issue price was NT\$50 per share, and the total amount issued was \$15,000,000 thousand on November 30, 2018. The issuance of shares was approved by the FSC under its Order No. 1070329855 issued on September 6, 2018, and the change in registration was approved by the ROC Ministry of Economic Affairs under its Order No. 10701153080 on December 17, 2018. The Class E preferred shares was listed on Taiwan Stock Exchange on January 8, 2019.

The rights and other important terms of issue associated with Class E preferred shares are as follows:

- 1) Tenor: Perpetual.

- 2) Dividend yield: An annual dividend yield is set at 3.80% (7-year IRS 1.1% + 2.7%) per annum of the issue price at the pricing day. The 7-year IRS will be reset on the next business day after each seventh anniversary day after issuance and thereafter. The pricing date for reset is the second business day of financial industry in Taipei immediately preceding each reset date. The 7-year IRS rate is the arithmetic mean of 7-year IRS rates appearing on Reuters pages “PYTWDFIX” and “COSMOS3” at 11:00 a.m. (Taipei time) on the relevant pricing date for reset. If such rate cannot be obtained, the Company will determine the rate based on reasonable market price with good faith.
 - 3) Dividend payment: In years when there is insufficient or no surplus to fully pay off dividends for Class E preferred shareholders, the unpaid dividend will not be carried forward to years with earnings. The Company has sole discretion over the distribution of Class E preferred share dividends. Earnings distribution proposals will be devised by the board of directors in accordance with Article 40-1 of the Articles of Incorporation and then submitted to the annual general meeting of shareholders for acknowledgment. Any earnings available for distribution to preferred shares and ordinary shares under an acknowledged earnings distribution proposal shall be distributed according to the Articles of Incorporation. Dividends on Class E preferred shares will be paid in cash. Once the Company’s financial statements have been acknowledged and earnings distributions approved during the annual general meeting of shareholders, the board of directors shall be authorized to set the ex-dividend date for the distribution of the Class E preferred share dividend. Dividends that are payable for the year of issuance shall be prorated according to the actual number of days the shares have been in circulation since the date of issue, relative to the total number of days of that year. In the year of redemption, the distribution of the payable dividends shall be calculated based on the actual number of days the preferred shares remained outstanding in that year.
 - 4) Restrictions on payment of dividends to ordinary shares: Except for the dividends prescribed in the preceding subparagraphs herein, Class E preferred shareholders are not entitled to participate in the distribution of cash or stock dividends with regard to the ordinary shares and other preferred shares derived from earnings or capital reserves.
 - 5) Redemption: Seven years after the issue date, the Company may at any time, subject to the competent authority’s approval, recall a portion or all of the outstanding Class E preferred shares at the issue price. The rights and obligations associated with any remaining outstanding Class E preferred shares shall continue as specified herein.
 - 6) Liquidation preference: In the event of liquidation, Class E preferred shareholders shall be given priority over ordinary shareholders when claiming the Company’s remaining assets. The amount claimed shall not exceed the issuance amount of outstanding Class E preferred shares.
 - 7) Voting rights or election rights: Class E preferred shareholders are not entitled to any voting rights or election rights in shareholders’ meetings. However, they may vote in Class E preferred shareholders’ meetings and in general shareholders’ meetings with regard to agenda items concerning rights and obligations of the shareholders of Class E preferred shareholders.
 - 8) When the Company issues new shares for capital raising, Class E preferred shareholders shall be entitled to preemptive rights on the new shares equivalent to those of ordinary shareholders.
- d. In accordance with Article 8-4 of the Articles of Incorporation, the Company issued Class F registered exchangeable preferred shares (“Class F preferred shares”), which totaled 300,000 thousand shares, with a par value of NT\$10. The issue price was NT\$17.65 per share, and the total amount issued was \$5,295,000 thousand on July 21, 2022. The issuance of shares was approved by the FSC under its Order No. 1110344348 issued on May 31, 2022, and the change in registration was approved by the ROC Ministry of Economic Affairs under its Order No. 11101143710 on August 5, 2022. The Class F preferred shares was listed on Taiwan Stock Exchange on July 26, 2022.

The rights and other important terms of issue associated with Class F preferred shares are as follows:

- 1) Tenor: Perpetual.
- 2) Dividend yield: An annual dividend yield is set at 3.70% (10-year IRS 1.3% + 2.4%) per annum of the issue price at the pricing day. The 10-year IRS will be reset on the next business day after each tenth anniversary day after issuance and thereafter. The pricing date for reset is the second business day of financial industry in Taipei immediately preceding each reset date. The 10-year IRS rate is the arithmetic mean of 10-year IRS rates appearing on Reuters pages "PYTWD01" and "COSMOS3" at 11:00 a.m. (Taipei time) on the relevant pricing date for reset. If such rate cannot be obtained, the Company will determine the rate based on reasonable market price with good faith.
- 3) Dividend payment: Unless otherwise specified by the Articles of Incorporation, in years that conclude with insufficient or no surplus to fully pay off dividends for Class F preferred shareholders, the unpaid dividend will not be carried forward to years with earnings. The Company has sole discretion on the distribution of Class F preferred share dividends. Earnings distribution or loss make-up proposals will be devised by the Board of Directors in accordance with Article 40-1 of the Articles of Incorporation and then submitted to the Annual General Meeting of Shareholders for acknowledgment. Earnings available for distribution shall be distributed firstly to Class E preferred shares and then, if any earnings remain, to Class F preferred shares. Any remaining balance shall be distributed ordinary shares. Dividends on Class F preferred shares will be paid in cash. Once the Company's financial statements have been acknowledged and the earnings distribution or loss make-up proposals approved have been approved during the Annual General Meeting of Shareholders, the Board of Directors shall be authorized to set the ex-dividend date for the distribution of the Class F preferred share dividend. Dividends that are payable for the year of issuance shall be prorated according to the actual number of days the shares have been in circulation since the date of issue, relative to the total number of days of that year. In the year of redemption, the distribution of the payable dividends shall be calculated based on the actual number of days the preferred shares remained outstanding in that year.
- 4) Restrictions on payment of dividends to ordinary shares: Except for dividends prescribed in the preceding subparagraphs herein, Class F preferred shareholders are not entitled to participate in the distribution of cash or stock dividends with regard to ordinary shares and other preferred shares derived from earnings or capital reserves.
- 5) Liquidation preference: In the event of liquidation, Class F preferred shareholders shall be limited to claiming on the ordinary shares of Chang Hwa Commercial Bank Ltd owned by the Company (CHB shares). Class F preferred shareholders shall be given distribution sequence priority over ordinary shareholders. The exchange ratio of Class F preferred shares and CHB shares shall be set at 1:1.
- 6) Any premium received on the issue of Class F preferred shares shall be treated as capital surplus and should not be capitalized into paid-in capital during the circulation period of Class F preferred shares.
- 7) Voting rights or election rights: Class F preferred shareholders are not entitled to any voting rights or election rights in Shareholders' Meetings. However, they may vote in Class F preferred shareholder meetings on amendments to the Company's Articles of Incorporation which damage the rights of Class F preferred shareholders. The provisions governing Shareholders' Meetings shall apply.
- 8) When the Company issues new shares for capital raising, Class F preferred shareholders shall be entitled to preemptive rights on the new shares equivalents to those of ordinary shareholders and Class E preferred shareholders.

- 9) Right of exchange: The Company may notify Class F preferred shareholders of their right to exchange Class F preferred shares for CHB shares at the exchange ratio of 1:1 from the beginning of the 8th year of issuance up to the end of the 10th year of issuance.
- 10) Redemption: Ten years after the issue date, the Company may at any time, subject to the competent authority's approval, recall all outstanding Class F preferred shares and exchange them for CHB shares at the ratio of 1:1. If the 90-business-day weighted average price of CHB shares prior to the record date is lower than the issue price, the Company shall make up the gap with cash. The specifics of the cash reimbursement shall be determined by the Board.
- 11) On the issue date, the Company shall set aside and deliver to the appointed custodian for safekeeping a number of CHB shares equal to that of the total number of Class F preferred shares. In the event that Class F preferred shares are redeemed, the Company shall deliver the CHB shares from the custodian to the Class F preferred shareholders.
- 12) In the event that Class F preferred shareholders' equity decreases proportionally due to a reduction of share capital against cumulative losses, Class F preferred shareholders' equity shall be adjusted/made up for the amount decreased so that Class F preferred shareholders' interest is maintained at the same level as that the shares were initially issued.

e. Capital surplus

As of September 30, 2024, the Company recognized a capital surplus of \$38,197,778 thousand, in which there's a part of investees' unappropriated retained earnings totaling \$414,706 thousand. In addition to the other regulations, Article 47 (d) of Financial Holding Company Act stipulates that the appropriation is not restricted by Article 241 (a) of the Company Act. Furthermore, the capital surplus from Class E preferred shares and Class F preferred shares issued in excess of par cannot be transferred to its capital during the outstanding issuance periods of Class E preferred shares and Class F preferred shares.

f. Retained earnings and dividend policy

In accordance with dividend policy of the Articles of Incorporation of the Company, whereas the Company makes profit in a fiscal year, the profit shall be first utilized for paying taxes, adjusted in accordance with accounting standards, offset losses of previous years, set aside 10% of the remaining profit as legal reserve, and set aside special reserve in accordance with the laws and regulations, the dividend rate of the Class E preferred shares and the Class F preferred shares should not be more than 8% and 4.5%, respectively. The distribution plan based on the Company's Articles of Incorporation clause 8-4 and 8-5 should be proposed by Company's board of directors in its meeting before its being resolved in the shareholders' meeting, and then any remaining profit together with the amount of reversed dividend or distributed-available special reserve and any undistributed earnings at the beginning of the fiscal year shall be resolved by the Company's board of directors in its meeting as the basis for proposing a distribution plan, of which cash dividends should not be less than 10% of total dividends distributed, to ordinary shareholders and each class of preferred shareholders. The distribution plan should be resolved in the shareholders' meeting. However, under the requirements of the MOF, if the Group's capital adequacy ratio is less than 100%, dividends cannot be distributed in cash or other assets. For the policies on distribution of employees' compensation and remuneration to directors before and after amendment, please refer to employee benefits expense in Note 39.

Appropriation of earnings to legal reserve shall be made until legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. If the Company has no accumulated deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to Share capital or distributed in cash.

Refer to g. for the information relating to special reserves.

The appropriations of earnings for 2023 and 2022 were resolved by the shareholders in their meetings on June 14, 2024 and June 16, 2023, respectively, the actual appropriations were as follows:

	Appropriation of Earnings		Dividend Per Share (NT\$)	
	For Year 2023	For Year 2022	For Year 2023	For Year 2022
Legal reserve appropriated	\$ 1,512,087	\$ 1,682,871		
Special reserve appropriated	-	7,251,539		
Reversal of the special reserve	(9,774,325)	(5,029,142)		
Cash dividends of Class E preferred shares	1,757,836	1,757,500	\$ -	\$ -
Cash dividends of Class F preferred shares	195,915	88,028	-	-
Cash dividends of ordinary shares	7,486,237	6,106,815	0.600	0.510
Stock dividends of ordinary shares	4,990,825	5,029,142	0.400	0.420

g. Special reserves

The subsidiaries reclassified the reserve for trading losses and default losses as of December 31, 2010 to a special reserve account, which is part of equity, by Order No. 11202709871 issued by the FSC, which allowed the Company to recognize the special reserve because of investments accounted for using equity method.

The Company appropriated special reserves in accordance with Order No. 1090150022 issued by the FSC and the Q&As on “Question and Answer for Special Reserves Appropriated Following Adoption of IFRSs”.

In accordance with Order No. 1010045494 issued by the FSC, the subsidiaries reclassified from the balance of reserve for business loss to special reserves for Article 11 of Value-added and Non-value-added Business Tax an Act, which allowed the Company to recognize the special reserve because of investments accounted for using equity method.

The Company appropriated to special reserves an amount equal to the increase in retained earnings that resulted from recognizing gain on bargain purchase through acquisition in accordance with Order No. 10310006310 issued by the FSC. After a year, upon evaluation and confirmation by the accountant, a reversal was conducted as the assessed value of the acquired assets was found to be close to their value at the time of acquisition, and no unexpected material impairment losses were identified.

h. Other equity items

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

	For the Nine Months Ended September 30	
	2024	2023
Beginning balance	\$ (184,525)	\$ (138,234)
Exchange differences on translating the net assets of foreign operations	<u>109,411</u>	<u>4,205</u>
Ending balance	<u>\$ (75,114)</u>	<u>\$ (134,029)</u>

2) Unrealized gain (loss) on financial assets at FVTOCI

	For the Nine Months Ended September 30	
	2024	2023
Beginning balance	\$ (986,719)	\$ (3,800,290)
Recognized during the period		
Unrealized gains or losses		
Debt instruments	3,225,307	303,470
Equity instruments	929,671	460,885
Income tax related to profit or loss of debt instruments	(121,862)	(12,765)
Reclassification adjustments		
Disposal of investments in debt instruments	(1,793,146)	(17,121)
Other comprehensive income (loss) recognized during the period	2,239,970	734,469
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	(731,580)	(552,284)
Ending balance	<u>\$ 521,671</u>	<u>\$ (3,618,105)</u>

3) Changes in fair value attributable to changes in the credit risk of financial liabilities at FVTPL

	For the Nine Months Ended September 30	
	2024	2023
Beginning balance	\$ 161,394	\$ 282,149
Changes in fair value attributable to changes in the credit risk	(117,230)	(82,218)
Ending balance	<u>\$ 44,164</u>	<u>\$ 199,931</u>

4) Other comprehensive income (loss) on reclassification using the overlay approach

	For the Nine Months Ended September 30	
	2024	2023
Beginning balance	\$ 215,398	\$ (3,637,143)
Recognized during the period		
Unrealized gain (loss)	(126,868)	1,936,286
Tax effects	(12,837)	23
Other comprehensive income (loss) recognized during the period	(139,705)	1,936,309
Ending balance	<u>\$ 75,693</u>	<u>\$ (1,700,834)</u>

i. Non-controlling interests

	For the Nine Months Ended September 30	
	2024	2023
Beginning balance	\$ 27,253	\$ 26,182
Attributable to non-controlling interests		
Net income	526	2,154
Subsidiary cash dividends	<u>(1,031)</u>	<u>(444)</u>
Ending balance	<u>\$ 26,748</u>	<u>\$ 27,892</u>

34. NET INTEREST INCOME

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Interest income				
Loans	\$ 13,648,439	\$ 11,584,995	\$ 38,768,018	\$ 32,703,888
Investment in marketable securities	6,153,928	5,161,905	18,243,748	14,335,458
Revolving interest of credit cards	374,674	334,622	1,087,557	969,617
Finance leases	481,563	478,385	1,420,270	1,443,591
Others	<u>1,719,994</u>	<u>1,718,394</u>	<u>5,319,383</u>	<u>4,909,126</u>
	<u>22,378,598</u>	<u>19,278,301</u>	<u>64,838,976</u>	<u>54,361,680</u>
Interest expense				
Deposits	(11,037,751)	(9,415,971)	(32,096,550)	(26,116,900)
Structured products	(911,624)	(980,870)	(2,762,331)	(2,539,783)
Others	<u>(1,410,813)</u>	<u>(1,150,027)</u>	<u>(4,068,996)</u>	<u>(3,175,100)</u>
	<u>(13,360,188)</u>	<u>(11,546,868)</u>	<u>(38,927,877)</u>	<u>(31,831,783)</u>
Net interest income	<u>\$ 9,018,410</u>	<u>\$ 7,731,433</u>	<u>\$ 25,911,099</u>	<u>\$ 22,529,897</u>

35. NET SERVICE FEE AND COMMISSION INCOME

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Service fees and commission income				
Interbank fee	\$ 302,491	\$ 270,676	\$ 868,817	\$ 817,902
Loan and guarantee fee	236,327	223,687	642,528	502,363
Fee from certification, underwriting and brokerage	1,137,082	867,601	3,271,989	2,259,731
Fee from trustee business	1,248,030	802,588	3,240,799	2,236,280
Insurance commission fee	653,233	813,748	1,969,209	1,765,081
Fee from credit cards	1,796,958	1,388,207	4,821,764	4,017,561
Others	<u>740,681</u>	<u>621,962</u>	<u>2,005,962</u>	<u>1,688,233</u>
	<u>6,114,802</u>	<u>4,988,469</u>	<u>16,821,068</u>	<u>13,287,151</u>

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Service fees and commission expenses				
Fee from credit cards	\$ (859,979)	\$ (731,951)	\$ (2,478,706)	\$ (2,041,098)
Interbank fee	(106,078)	(88,007)	(295,279)	(270,145)
Marketing fee	(252,392)	(197,436)	(630,077)	(555,793)
Insurance commission fee	(1,202,897)	(367,401)	(3,193,557)	(978,996)
Brokerage handling fee	(100,773)	(76,487)	(282,849)	(182,012)
Others	(305,476)	(322,804)	(1,001,307)	(846,790)
	<u>(2,827,595)</u>	<u>(1,784,086)</u>	<u>(7,881,775)</u>	<u>(4,874,834)</u>
Net service fees and commission income	<u>\$ 3,287,207</u>	<u>\$ 3,204,383</u>	<u>\$ 8,939,293</u>	<u>\$ 8,412,317</u>

(Concluded)

36. NET INCOME FROM INSURANCE OPERATIONS

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Insurance business income				
Written premium income	\$ 9,337,830	\$ 5,965,627	\$ 27,511,613	\$ 19,029,277
Reinsurance premium expense	(189,193)	(159,634)	(515,652)	(425,456)
Separate account insurance product income	<u>642,729</u>	<u>162,165</u>	<u>4,401,694</u>	<u>2,609,321</u>
	<u>9,791,366</u>	<u>5,968,158</u>	<u>31,397,655</u>	<u>21,213,142</u>
Insurance business expense				
Underwriting expense	(1,429)	(788)	(3,605)	(2,412)
Insurance claim payments	(2,738,195)	(2,483,714)	(7,867,143)	(5,862,764)
Claims and payments recovered from reinsurers	97,079	66,627	209,652	184,867
Disbursements toward industry stability fund	(14,056)	(11,397)	(48,662)	(36,290)
Separate account insurance product expense	<u>(642,729)</u>	<u>(162,165)</u>	<u>(4,401,694)</u>	<u>(2,609,321)</u>
	<u>(3,299,330)</u>	<u>(2,591,437)</u>	<u>(12,111,452)</u>	<u>(8,325,920)</u>
Net income from insurance operations	<u>\$ 6,492,036</u>	<u>\$ 3,376,721</u>	<u>\$ 19,286,203</u>	<u>\$ 12,887,222</u>

37. GAIN (LOSS) ON FINANCIAL ASSETS AND LIABILITIES AT FVTPL

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
<u>Disposal gains (losses)</u>				
Taishin Bank				
Shares and beneficiary certificates	\$ 320,844	\$ 25,513	\$ 798,601	\$ 27,654
Bills	65,843	4,021	131,013	11,268
Bonds	155,208	137,221	595,692	378,945
Derivative financial instruments	<u>(171,839)</u>	<u>1,153,734</u>	<u>47,103</u>	<u>3,632,018</u>
	<u>370,056</u>	<u>1,320,489</u>	<u>1,572,409</u>	<u>4,049,885</u>
Taishin Securities B				
Call (put) warrants issued	(91,230)	4,868	(135,439)	29,236
Trading securities - dealing	458,019	80,066	1,855,565	1,174,531
Trading securities - underwriting	44,398	246,073	91,207	356,020
Trading securities - hedging	281,760	67,208	794,102	182,259
Borrowed securities and bonds with resell agreements-short sales	(10,863)	14,564	(118,689)	88,837
Funds	-	2,328	437	3,325
Derivative financial instruments	<u>(4,913)</u>	<u>(87,868)</u>	<u>(1,077,726)</u>	<u>(754,402)</u>
	<u>677,171</u>	<u>327,239</u>	<u>1,409,457</u>	<u>1,079,806</u>
Taishin Life Insurance				
Shares and beneficiary certificates	1,178,866	579,098	3,077,497	1,217,772
Derivative financial instruments	<u>(174,955)</u>	<u>(792,338)</u>	<u>(1,048,820)</u>	<u>(1,020,213)</u>
	<u>1,003,911</u>	<u>(213,240)</u>	<u>2,028,677</u>	<u>197,559</u>
Others				
Shares and beneficiary certificates	5,892	8,875	14,445	38,294
Derivative financial instruments	<u>5,195</u>	<u>-</u>	<u>5,195</u>	<u>-</u>
	<u>11,087</u>	<u>8,875</u>	<u>19,640</u>	<u>38,294</u>
	<u>2,062,225</u>	<u>1,443,363</u>	<u>5,030,183</u>	<u>5,365,544</u>
<u>Valuation gains (losses)</u>				
Taishin Bank				
Shares and beneficiary certificates	(1,005,159)	(195,786)	1,857,029	(68,790)
Bills	(24,462)	13,957	(4,115)	6,055
Bonds	(303,948)	377,524	449,171	907,329
Derivative financial instruments	<u>1,751,036</u>	<u>(1,136,316)</u>	<u>(947,646)</u>	<u>(2,635,980)</u>
	<u>417,467</u>	<u>(940,621)</u>	<u>1,354,439</u>	<u>(1,791,386)</u>

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Taishin Securities B				
Call (put) warrants issued	\$ 148,839	\$ 8,752	\$ 89,197	\$ (55,535)
Trading securities - dealing	(459,864)	(126,824)	(378,526)	(15,139)
Trading securities - underwriting	(42,337)	(147,857)	55,352	48,838
Trading securities - hedging	(531,862)	13,000	16,815	457,806
Borrowed securities and bonds with resell agreements-short sales	21,255	125,700	137,885	(39,315)
Funds	(15,344)	(5,253)	(16,871)	1,192
Derivative financial instruments	<u>303,256</u>	<u>(77,968)</u>	<u>(91,150)</u>	<u>(398,788)</u>
	<u>(576,057)</u>	<u>(210,450)</u>	<u>(187,298)</u>	<u>(941)</u>
Taishin Life Insurance				
Shares and beneficiary certificates	(2,472,339)	(696,742)	(94,465)	2,050,459
Beneficiary securities	(18)	1,254	15	2,435
Derivative financial instruments	<u>575,024</u>	<u>(457,143)</u>	<u>(633,526)</u>	<u>(1,101,293)</u>
	<u>(1,897,333)</u>	<u>(1,152,631)</u>	<u>(727,976)</u>	<u>951,601</u>
Others				
Shares and beneficiary certificates	(317,751)	(2,128,843)	(621,509)	(1,743,595)
Derivative financial instruments	<u>(76,128)</u>	<u>84,500</u>	<u>(119,983)</u>	<u>18,000</u>
	<u>(393,879)</u>	<u>(2,044,343)</u>	<u>(741,492)</u>	<u>(1,725,595)</u>
	<u>(2,449,802)</u>	<u>(4,348,045)</u>	<u>(302,327)</u>	<u>(2,566,321)</u>
Net interest income	278,187	305,621	841,972	804,605
Dividends	706,560	742,976	1,365,268	1,752,533
Interest expense	<u>(50,593)</u>	<u>(47,879)</u>	<u>(146,984)</u>	<u>(135,369)</u>
	<u>\$ 546,577</u>	<u>\$ (1,903,964)</u>	<u>\$ 6,788,112</u>	<u>\$ 5,220,992</u>

(Concluded)

38. REALIZED GAIN (LOSS) ON FINANCIAL ASSETS AT FVTOCI

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Disposal gains (losses)				
Bonds	\$ 1,446,138	\$ 4,623	\$ 1,796,348	\$ 21,141
Beneficiary securities	<u>(1,049)</u>	<u>(1,369)</u>	<u>(3,202)</u>	<u>(4,020)</u>
	1,445,089	3,254	1,793,146	17,121
Dividend income				
Related to investments held at the end of the period	377,043	373,581	459,887	457,229
Related to investments derecognized at the end of the period	<u>217,666</u>	<u>170,290</u>	<u>233,007</u>	<u>171,877</u>
	<u>\$ 2,039,798</u>	<u>\$ 547,125</u>	<u>\$ 2,486,040</u>	<u>\$ 646,227</u>

39. EMPLOYEE BENEFITS EXPENSE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Short-term benefits	\$ 5,078,950	\$ 4,423,377	\$ 14,645,208	\$ 12,903,026
Post-employment benefits (Note 32)				
Defined contribution plans	165,929	131,432	481,519	429,832
Defined benefit plans	11,508	27,056	35,215	33,501
Share-based payments (Note 43)				
Cash-settled share-based payments	16,641	21,178	59,624	123,141
Others	<u>45,643</u>	<u>45,522</u>	<u>117,811</u>	<u>114,068</u>
	<u>\$ 5,318,671</u>	<u>\$ 4,648,565</u>	<u>\$ 15,339,377</u>	<u>\$ 13,603,568</u>

Employees' Compensation and Remuneration of Directors

The Company accrues employees' compensation and the remuneration of directors at a rate of no less than 0.01% and no higher than 1%, respectively, of net profit before income tax, employees' compensation and remuneration of directors. For the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, the amounts of employees' compensation and remuneration of directors were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Employees' compensation	\$ <u>624</u>	\$ <u>330</u>	\$ <u>1,656</u>	\$ <u>1,213</u>
Remuneration of directors	\$ <u>62,391</u>	\$ <u>32,936</u>	\$ <u>165,612</u>	\$ <u>121,272</u>

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate and will make adjustments next year.

The Company held board of directors' meetings on February 22, 2024 and February 23, 2023 in which it resolved the appropriations of employees' compensation and remuneration of directors and which resulted in the actual amounts of the employees' compensation and remuneration of directors paid for 2023 and 2022 to differ from the amounts recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022, respectively. The differences were adjusted to profit or loss for the years ended December 31, 2024 and 2023.

	For the Year Ended December 31			
	2023		2022	
	Employees' Compensation	Remuneration of Directors	Employees' Compensation	Remuneration of Directors
Amounts approved at the board of directors' meeting	\$ <u>1,471</u>	\$ <u>100,057</u>	\$ <u>1,468</u>	\$ <u>110,077</u>
Amounts recognized in the annual financial statements	\$ <u>1,472</u>	\$ <u>147,244</u>	\$ <u>1,462</u>	\$ <u>146,166</u>

Information on the employees' compensation and the remuneration of directors resolved by the Company's board of directors in 2024 and 2023 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

40. DEPRECIATION AND AMORTIZATION EXPENSES

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Property and equipment	\$ 321,029	\$ 322,263	\$ 961,185	\$ 952,777
Investment properties	8,725	6,563	25,607	19,766
Right-of-use assets	218,204	216,760	648,990	632,847
Intangible assets and other deferred assets	<u>167,158</u>	<u>148,184</u>	<u>469,498</u>	<u>427,658</u>
	<u>\$ 715,116</u>	<u>\$ 693,770</u>	<u>\$ 2,105,280</u>	<u>\$ 2,033,048</u>

41. INCOME TAX

In 2003, Taishin Financial Holding adopted the linked tax system for tax filing (similar to a consolidated tax filing) along with its subsidiaries Taishin Bank and Taishin AMC. Taishin Venture Capital Investment was included in this tax system since 2004, and Taishin Securities B, Taishin Securities Investment Trust and Taishin Securities Investment Advisory were included in this tax system since 2011. Taishin Life Insurance was included in this tax system since 2022.

In July 2019, the president of the ROC announced the amendments to the Statute for Industrial Innovation, which stipulate that the amounts of unappropriated earnings in 2018 and thereafter that are reinvested in the construction or purchase of certain assets or technologies are allowed as deduction when computing the income tax on unappropriated earnings. When calculating the tax on unappropriated earnings, the Group only deducts the amount of the unappropriated earnings that has been reinvested in capital expenditure.

The governments of Japan, Australia, and Vietnam, where Taishin Bank is registered, enacted the Pillar Two income tax legislation, effective January 1, 2024. There was no related current income tax impact on the Group. The Group is continuously assessing the possible impact of the Pillar Two income tax legislation on its future financial performance.

Income Tax Recognized in Profit or Loss

The major components of tax expense (profit) were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Current tax				
In respect of the current period	\$ 1,826,150	\$ 521,956	\$ 3,078,414	\$ 1,687,341
Income tax on unappropriated earnings	-	-	377,022	-
Adjustments for prior years	(184,768)	(70,760)	(512,781)	(12,966)
Offshore income tax expense	28,876	21,575	76,266	56,191
Land value increment tax	3,774	-	3,774	320

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Deferred tax				
In respect of the current period	\$ (457,870)	\$ 485,756	\$ 75,806	\$ 1,036,938
Adjustments for prior years	<u>-</u>	<u>14,460</u>	<u>(4,376)</u>	<u>(16,598)</u>
Income tax expense recognized in profit or loss	<u>\$ 1,216,162</u>	<u>\$ 972,987</u>	<u>\$ 3,094,125</u>	<u>\$ 2,751,226</u> (Concluded)

Income Tax Recognized in Other Comprehensive Income (Loss)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
<u>Deferred tax</u>				
In respect of the current period:				
Fair value changes of financial assets at FVTOCI	\$ 108,486	\$ (23,836)	\$ 121,862	\$ 12,765
Reclassification using the overlay approach	<u>15,941</u>	<u>(4,911)</u>	<u>12,837</u>	<u>(23)</u>
Total income tax recognized in other comprehensive income	<u>\$ 124,427</u>	<u>\$ (28,747)</u>	<u>\$ 134,699</u>	<u>\$ 12,742</u>

Assessments of the Group's Income Tax

Except for the following, refer to Note 41 to the consolidated financial statements as of and for the year ended December 31, 2023 for the other related information on the Group's income tax assessments.

- a. Taishin Financial Holding's income tax returns through 2018 have been assessed by the tax authorities.
- b. Taishin Bank's income tax returns through 2018 have been assessed by the tax authorities. The income tax returns of Taishin Real-Estate through 2022 have been assessed by the tax authorities. The income tax returns of Taishin D.A. Finance through 2022 have been assessed by the tax authorities.
- c. Taishin AMC's income tax returns through 2018 have been assessed by the tax authorities.
- d. Taishin Venture Capital Investment's income tax returns through 2018 have been assessed by the tax authorities.
- e. Taishin Securities Investment Trust's income tax returns through 2018 have been assessed by the tax authorities.
- f. Taishin Securities B's income tax returns through 2018 have been assessed by the tax authorities. Taishin Securities Venture Capital's income tax returns through 2022 have been assessed by the tax authorities. Taishin Capital's income tax returns through 2022 have been assessed by the tax authorities. Taishin Futures's income tax returns through 2022 have been assessed by the tax authorities. Taishin Health Investment's income tax returns through 2022 have been assessed by the tax authorities.

- g. Taishin Securities Investment Advisory's income tax returns through 2018 have been assessed by the tax authorities.
- h. Taishin Life Insurance's income tax returns through 2021 have been assessed by the tax authorities.

42. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Basic earnings per share	<u>\$ 0.43</u>	<u>\$ 0.21</u>	<u>\$ 1.17</u>	<u>\$ 0.82</u>
Diluted earnings per share	<u>\$ 0.43</u>	<u>\$ 0.21</u>	<u>\$ 1.17</u>	<u>\$ 0.82</u>

The weighted average number of shares outstanding used for the earnings per share computation was adjusted retroactively for the issuance of bonus shares on August 12, 2024 and August 1, 2023. The basic and diluted earnings per share adjusted retrospectively for the three months ended September 30, 2023 and the nine months ended September 30, 2023 were as follows:

	Before Adjusted Retrospectively		After Adjusted Retrospectively	
	For the Three Months Ended September 30, 2023	For the Nine Months Ended September 30, 2023	For the Three Months Ended September 30, 2023	For the Nine Months Ended September 30, 2023
Basic earnings per share	<u>\$ 0.22</u>	<u>\$ 0.85</u>	<u>\$ 0.21</u>	<u>\$ 0.82</u>
Diluted earnings per share	<u>\$ 0.22</u>	<u>\$ 0.85</u>	<u>\$ 0.21</u>	<u>\$ 0.82</u>

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

Net Income for the Period

Unit: Dollars in Thousands

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Net income for the periods attributable to owner of the Company	\$ 6,083,659	\$ 3,218,577	\$ 16,659,662	\$ 12,101,534
Less: Dividends on preferred shares	<u>(498,721)</u>	<u>(492,367)</u>	<u>(1,485,320)</u>	<u>(1,461,047)</u>
Earnings used in computation of basic earnings per share	<u>\$ 5,584,938</u>	<u>\$ 2,726,210</u>	<u>\$ 15,174,342</u>	<u>\$ 10,640,487</u>

Weighted Average Number of Ordinary Shares Outstanding

Unit: Number of Shares in Thousands

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Weighted average number of ordinary shares in computation of basic earnings per share	12,976,144	12,976,144	12,976,144	12,976,144
Effect of dilutive potential ordinary shares:				
Employees' compensation	<u>90</u>	<u>68</u>	<u>106</u>	<u>85</u>
Weighted average number of ordinary shares outstanding in computation of dilutive earnings per share	<u>12,976,234</u>	<u>12,976,212</u>	<u>12,976,250</u>	<u>12,976,229</u>

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

43. SHARE-BASED PAYMENT ARRANGEMENTS

Cash-settled Share-based Payments of Taishin Appreciation Rights Plan

The Group issued share appreciation rights (SAR) to employees that required the Group to pay the intrinsic value of SAR to the qualified people at the date of exercise since 2013. The fair value of SAR was determined using the Black-Scholes pricing model based on the following assumptions:

	Plan of 2023	Plan of 2022	Plan of 2021	Plan of 2020	Plan of 2019
Grant-date share price (Note)	\$18.61	\$18.61	\$18.61	\$18.61	\$18.61
Exercise price	\$16.49	\$13.16	\$15.26	\$10.36	\$11.45
Outstanding period	1.3 years, 2.3 years 3.3 years, 4.3 years	0.3 years, 1.3 years 2.3 years, 3.3 years	0.3 years	-	-
Expected volatility	31.15%, 31.15%	31.15%, 31.15%	31.15%, 31.15%	31.15%, 31.15%	31.15%, 31.15%
Risk-free interest rate	0.97%, 0.97%	0.97%, 0.97%	0.97%, 0.97%	0.97%, 0.97%	0.97%, 0.97%

Note: The grant-date share price is calculated based on the average closing price of ordinary shares of the Company 30 business days before the balance sheet date.

The movements in the appreciation rights plan for the nine months ended September 30, 2024 and 2023 were as follows:

Appreciation Rights Plan of 2023	For the Nine Months Ended September 30, 2024	
	Unit	Weighted Average Exercise Price (Dollars)
Outstanding, beginning	-	\$ -
Granted	25,497	17.68
Ceased	<u>(524)</u>	16.49
Outstanding, ending	<u>24,973</u>	
Weighted-average fair value of appropriation rights (NT\$)		<u>\$ 3.07</u>

	For the Nine Months Ended September 30			
	2024		2023	
Appreciation Rights Plan of 2022	Unit	Weighted Average Exercise Price (Dollars)	Unit	Weighted Average Exercise Price (Dollars)
Outstanding, beginning	24,065	\$ 14.11	-	\$ -
Granted	-	-	24,955	15.13
Ceased	<u>(1,190)</u>	13.16	<u>(870)</u>	14.92
Outstanding, ending	<u>22,875</u>		<u>24,085</u>	
Weighted-average fair value of appropriation rights (NT\$)		<u>\$ 4.79</u>		<u>\$ 4.67</u>

	For the Nine Months Ended September 30			
	2024		2023	
Appreciation Rights Plan of 2021	Unit	Weighted Average Exercise Price (Dollars)	Unit	Weighted Average Exercise Price (Dollars)
Outstanding, beginning	21,319	\$ 16.36	22,841	\$ 17.54
Granted	(10,501)	16.36	-	-
Ceased	<u>(758)</u>	15.26	<u>(1,494)</u>	17.37
Outstanding, ending	<u>10,060</u>		<u>21,347</u>	
Weighted-average fair value of appropriation rights (NT\$)		<u>\$ 2.52</u>		<u>\$ 2.43</u>

	For the Nine Months Ended September 30			
	2024		2023	
	Unit	Weighted Average Exercise Price (Dollars)	Unit	Weighted Average Exercise Price (Dollars)
Appreciation Rights Plan of 2020				
Outstanding, beginning	10,907	\$ 10.36	23,453	\$ 11.11
Exercised	(10,562)	10.36	(10,436)	11.11
Ceased	<u>(345)</u>	10.36	<u>(2,111)</u>	11.02
Outstanding, ending	<u>-</u>		<u>10,906</u>	
Weighted-average fair value of appropriation rights (NT\$)	\$ <u>-</u>		\$ <u>7.55</u>	

	For the Nine Months Ended September 30, 2023	
	Unit	Weighted Average Exercise Price (Dollars)
	Appreciation Rights Plan of 2019	
Outstanding, beginning	9,450	\$ 11.45
Exercised	(8,404)	11.45
Ceased	<u>(1,046)</u>	11.45
Outstanding, ending	<u>-</u>	
Weighted-average fair value of appropriation rights (NT\$)	\$ <u>-</u>	

As of September 30, 2024, December 31, 2023 and September 30, 2023, the related liabilities recognized amounted to \$120,965 thousand, \$161,775 thousand and \$140,149 thousand, respectively.

44. CASH FLOW INFORMATION

Changes in liabilities arising from financing activities:

For the nine months ended September 30, 2024

	Opening Balance	Cash Flows	Non-cash Changes				Fair Value Adjustments	Closing Balance
			Effect of Exchange Rate Changes	New Leases	Termination of Lease Contract	Amortization for Discount		
Due to the Central Bank and banks (including call loans from other banks and bank overdrafts)	\$ 9,739,011	\$ 24,519,379	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,258,390
Commercial papers payable	30,223,005	15,808,000	-	-	-	(52,703)	-	45,978,302
Lease liabilities	2,405,852	(685,823)	3,120	514,118	(2,888)	-	-	2,234,379
Other borrowings	10,387,601	626,508	405,921	-	-	-	-	11,420,030
Financial liabilities designated as at FVTPL	2,548,652	-	-	-	-	-	167,068	2,715,720
Bonds payable	<u>68,144,602</u>	<u>(3,000,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,375</u>	<u>-</u>	<u>65,237,977</u>
	<u>\$ 123,448,723</u>	<u>\$ 37,268,064</u>	<u>\$ 409,041</u>	<u>\$ 514,118</u>	<u>\$ (2,888)</u>	<u>\$ 40,672</u>	<u>\$ 167,068</u>	<u>\$ 161,844,798</u>

For the nine months ended September 30, 2023

	Opening Balance	Cash Flows	Non-cash Changes				Fair Value Adjustments	Closing Balance
			Effect of Exchange Rate Changes	New Leases	Termination of Lease Contract	Amortization for Discount		
Due to the Central Bank and banks (including call loans from other banks and bank overdrafts)	\$ 8,490,936	\$ 1,115,825	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,606,761
Commercial papers payable	16,054,562	12,573,000	-	-	-	(14,946)	-	28,612,616
Lease liabilities	2,360,330	(599,030)	(199)	724,965	(7,476)	-	-	2,478,590
Other borrowings	12,265,346	(1,464,254)	(19,008)	-	-	-	-	10,782,084
Financial liabilities designated as at FVTPL	2,483,480	-	-	-	-	-	(234,655)	2,248,825
Bonds payable	68,020,216	-	-	-	-	93,034	-	68,113,250
	<u>\$ 109,674,870</u>	<u>\$ 11,625,541</u>	<u>\$ (19,207)</u>	<u>\$ 724,965</u>	<u>\$ (7,476)</u>	<u>\$ 78,088</u>	<u>\$ (234,655)</u>	<u>\$ 121,842,126</u>

45. CAPITAL RISK MANAGEMENT

a. Summary

To efficiently control the capital adequacy of the Group on the premise of balancing the Group's business development and risk control, Taishin Financial Holding had codified its "principles of capital adequacy management" and compiled related information to be reported to the Asset and Liability Management Committee periodically.

The Group's goals in capital management are as follows:

- 1) To ensure the Group conforms to related capital adequacy regulations and minimum basic criteria set by each industry's regulatory agencies.
- 2) To ensure every subsidiary is able to meet the capital needs of operating plan and the capital requirement, as well as to reach the optimization of capital allocation within the Group.
- 3) To implement capital management, Taishin Financial Holding and its significant subsidiaries should assess capital adequacy periodically and make proper arrangements of capital structure and application of capital instruments and adjustments of asset portfolio.

b. Capital management procedures

In order to meet the Group's capital adequacy goals, Taishin Financial Holding established the Asset and Liability Committee (the "Committee") to review capital performance of Taishin Financial Holding and its significant subsidiaries' every month. If there is any concern that the Group's capital adequacy may be below the legal standard, the Committee would immediately find measures to increase the Group's net qualified capital or to reduce the Group's legal capital requirement so as to improve the Group's performance and meet capital adequacy ratio.

The Group's capital adequacy ratio is calculated based on the accounting reports and related data of capital adequacy provided by Taishin Financial Holding and its subsidiaries. Taishin Financial Holding and each of its subsidiaries should respectively report to the relevant regulatory agencies using the calculation formulas and forms according to the regulations before deadline.

46. FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

a. Summary

Fair value is the exchange price in an orderly transaction between market participants and is the amount to be received on the sale of an assets or the amount to be paid on the transfer of a liability.

Financial instruments are initially measured at fair value. In many cases, the transaction price will equal the fair value. Subsequently, the financial instruments are measured at fair value, unless the financial assets meet the criteria for being measured at amortized cost. A quoted price in an active market provides the most reliable evidence of fair value. If financial instruments have no quoted prices in an active market, the Group will use valuation techniques or refer to Bloomberg or Reuters' quotes or the fair value quoted by the counterparty.

b. The definition of three levels of fair value

- 1) Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Active markets must have the following attributes: (A) assets or liabilities traded in the market are identical, (B) the market is principal (or most advantageous), providing ease in finding buyers and sellers that are both able and willing to transact an asset sale or liability transfer; and (C) pricing information is readily available on an ongoing basis to the public.
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as price) or indirectly (i.e., value derived from price), in the active markets.
 - a) Quoted prices of similar financial instruments in active market are the Company's fair value of financial instruments if based on recent quoted price for similar financial instruments. Similar financial instruments should be decided in accordance with characteristics and transaction conditions of these instruments. Fair value of financial instruments will vary depending on factors specific to the similar asset or liability. The factors include: Prices are not current, price quotations vary substantially, transaction price between related parties, relevance of quoted price of similar instruments and the quoted price of financial instruments.
 - b) Quoted prices for identical or similar assets or liabilities in markets that are not active.
 - c) Valuation models are used to measure fair value, and the inputs (e.g. interest rate, yield curve, and volatilities) are based on accessible data from the markets (the observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data).
 - d) Inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs).
- 3) Level 3 inputs are inputs that are not available in the market. Unobservable inputs are inputs such as historical volatilities used in option pricing model. Historical volatility typically does not represent current market participants' expectations about future volatility.

c. Financial instruments measured at fair value

1) Information on fair value hierarchy

The financial instruments measured at fair value of the Group are measured at fair value on a recurring basis.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

Financial Assets and Liabilities	September 30, 2024			
	Total	Level 1	Level 2	Level 3
<u>Recurring fair value measurement</u>				
<u>Non-derivative assets and liabilities</u>				
Assets				
Financial assets at FVTPL				
Financial assets mandatorily classified as at FVTPL				
Shares and beneficiary certificates	\$ 61,555,616	\$ 56,689,252	\$ 1,234,488	\$ 3,631,876
Bond investments	31,253,131	15,946,819	15,306,312	-
Investment in bills	61,423,092	-	61,423,092	-
Beneficiary securities	142,099	-	142,099	-
Financial assets at FVTOCI				
Share investments	15,301,960	12,766,394	-	2,535,566
Bond investments	129,359,198	5,253,957	124,105,241	-
Beneficiary securities	1,007,448	-	1,007,448	-
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities designated as at FVTPL	2,715,720	-	2,715,720	-
Financial liabilities held for trading	1,453,126	1,453,126	-	-
<u>Derivative assets and liabilities</u>				
Assets				
Financial assets at FVTPL	36,428,751	961,116	26,120,498	9,347,137
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities designated as at FVTPL	3,497,247	-	3,497,247	-
Financial liabilities held for trading	39,669,977	289,886	29,315,376	10,064,715

Financial Assets and Liabilities	December 31, 2023			
	Total	Level 1	Level 2	Level 3
<u>Recurring fair value measurement</u>				
<u>Non-derivative assets and liabilities</u>				
Assets				
Financial assets at FVTPL				
Financial assets mandatorily classified as at FVTPL				
Shares and beneficiary certificates	\$ 55,758,309	\$ 51,836,684	\$ 526,232	\$ 3,395,393
Bond investments	40,329,514	14,776,270	25,553,244	-
Investment in bills	54,371,699	-	54,371,699	-
Beneficiary securities	175,577	-	175,577	-
Financial assets at FVTOCI				
Share investments	14,469,829	11,957,862	-	2,511,967
Bond investments	131,672,199	6,527,148	125,145,051	-
Beneficiary securities	1,007,163	-	1,007,163	-
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities designated as at FVTPL	2,548,652	-	2,548,652	-
Financial liabilities held for trading	5,435,737	5,435,737	-	-
<u>Derivative assets and liabilities</u>				
Assets				
Financial assets at FVTPL	50,343,702	868,930	39,955,751	9,519,021
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities designated as at FVTPL	3,623,817	-	3,623,817	-
Financial liabilities held for trading	53,694,880	159,073	43,451,784	10,084,023

Financial Assets and Liabilities	September 30, 2023			
	Total	Level 1	Level 2	Level 3
<u>Recurring fair value measurement</u>				
<u>Non-derivative assets and liabilities</u>				
Assets				
Financial assets at FVTPL				
Financial assets mandatorily classified as at FVTPL				
Shares and beneficiary certificates	\$ 50,260,562	\$ 46,467,416	\$ 571,665	\$ 3,221,481
Bond investments	36,484,165	12,483,874	24,000,291	-
Investment in bills	61,054,744	-	61,054,744	-
Beneficiary securities	198,289	-	198,289	-
Financial assets at FVTOCI				
Share investments	14,191,440	11,826,155	-	2,365,285
Bond investments	118,044,009	7,177,601	110,866,408	-
Beneficiary securities	1,034,800	-	1,034,800	-
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities designated as at FVTPL	2,248,825	-	2,248,825	-
Financial liabilities held for trading	2,826,612	2,776,575	50,037	-
<u>Derivative assets and liabilities</u>				
Assets				
Financial assets at FVTPL	63,877,801	865,863	50,039,246	12,972,692
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities designated as at FVTPL	3,669,738	-	3,669,738	-
Financial liabilities held for trading	61,060,801	46,377	47,031,560	13,982,864

2) The valuation techniques based on fair value

Financial instruments are initially measured at fair value. In many cases the transaction price will equal the fair value. Subsequently, the financial instruments are measured at fair value, unless the financial assets meet the criteria for being measured at amortized cost. A quoted price in an active market provides the most reliable evidence of fair value. If financial instruments have no quoted prices in an active market, the Group will use valuation techniques or refer to Bloomberg or Reuters' quotes or the fair value quoted by the counterparty.

If there is an active market and a price for a financial instrument quoted in that market, the quoted price will be the fair value of the financial instrument. Market prices provided by major stock exchanges and market prices of popular central government bonds announced by the Taipei Exchange (formerly the GreTai Securities Market) are considered to be the basis of fair values for equity instruments and debt instruments with active market.

If a quoted price, which represents the price being practically and frequently transacted in orderly transactions, can be acquired from stock exchanges, brokers, underwriters, pricing service institutions or the administration in time then there is an active market for the financial instrument. If the conditions mentioned above are not met, then the market is regarded as inactive. Generally speaking, extremely high bid-ask spread, significant increase of bid-ask spread or extremely low transaction amounts are all indications of an inactive market.

The Group's financial instruments with active markets and the basis of their fair values are described as follows:

a) Foreign currency products

Since the foreign exchange market is very active, the Group adopts the market prices of each respective currency or the last trading prices as fair values.

b) Government bonds and part of interest rate derivatives

i. New Taiwan Dollar Central Government Bonds: If there is a trading price on the measurement date, then the last trading price is the fair value. If there is no trading price for reference and the subordinated bond fair price provided by the Taipei Exchange is not in the market quoted price interval, then the median price of the market quoted prices is the fair value. If the subordinated bond fair price is in the market quoted price interval, then the fair price is the fair value.

ii. Interest rate derivatives: The quoted price from Reuters is the fair value.

c) Share-related products

The Group adopts stock market quoted prices or the last trading prices as fair values.

d) Credit-related products

The quoted price from Bloomberg is the fair value.

Except for the financial instruments with active market, fair values of other financial instruments are acquired based on valuation techniques or the quoted prices from counterparties. Fair values acquired through valuation techniques can be calculated using models based on fair values from financial instruments with similar conditions and characteristics, cash flow discount method and other valuation techniques, including accessible information on the consolidated balance sheet date such as the yield curve from the Taipei Exchange or the average quoted price from Reuters commercial papers interest rate.

When measuring financial instruments that are not standardized and with low complexity such as options without active market, the Group will adopt valuation techniques consistent with those generally used by other market participants to price financial instruments. Parameters applied for the valuation models for this type of financial instruments are observable in the market.

With regard to financial instruments with high complexity, the Group will adopt self-developed valuation techniques and methods consistent with those generally used by other market participants and valuation models to measure fair values. These types of valuation models are often applied to derivatives, embedded bond instrument or securitized products, etc. Part of input parameters for the valuation models of this type of financial instruments are not observable in the market. Therefore, the Group makes appropriate estimates based on assumptions.

Valuation of derivatives is based on valuation models consistent with those generally used by other market participants, such as the discount rate method or the option pricing models.

Valuation of investments in equity instruments is based on generally used valuation methods, which are consistent with those described in the Statements of Valuation Standards (SVS) No. 11 “Business Valuation”, such as the asset based approach and the market approach (which is comparable to the market approach).

3) Adjustments of fair values

a) Limits of valuation models and indeterminate input value

Valuation models generate estimated approximate values. That is, valuation techniques may not be able to reflect all the factors relevant to the performance of the Group’s financial instruments. Thus, results generated by valuation models are adjusted appropriately by using additional parameters, such as determinants of fair value (prevailing economic conditions, financial condition of counterparties to financial instruments, etc.) or assumptions and forecasts (future economic conditions, amount and pricing of future cash flows, etc.). Based on Taishin Financial Holding’s valuation basis policies and model management policies, the price information and parameters used in the valuation process are carefully assessed and appropriately adjusted in accordance with actual market conditions.

b) Credit risk value adjustments

Credit risk value adjustments are mainly classified into credit value adjustments (CVA) and debit value adjustments (DVA) as follows:

The CVA is an adjustment to the valuation of derivative contracts made in decentralized market, which is the over-the-counter (OTC) market, to reflect within fair value the possibility that the counterparty may default and that the Group may not receive the full market value of the transactions.

The DVA is an adjustment to the valuation of derivative contracts made in decentralized market, which is the OTC market, to reflect within fair value the possibility that the Group may default, and that the Group may not pay the full market value of the transactions.

The Group would calculate CVA by assessing probability of default (PD) and loss given default (LGD) of the counterparty before multiplying by exposure at default (EAD) of the counterparty. On the contrary, DVA is computed by applying probability of default of the Group and considering loss given default of the Group before being multiplied by exposure at default of the Group.

The Group manages PD through its regular internal rating review. After examining the experiences of foreign financial institutions, the Group adopted 60% as its LGD and chose the marking to market of OTC derivative instruments to determine EAD. In addition, in calculating the fair values of financial instruments, the Group took credit risk rating adjustments into consideration to reflect competitors’ credit risk and the Group’s credit quality, respectively.

4) The transfer between Level 1 and Level 2

The source used to measure the fair value of part of bonds held by the Group has been changed from a quoted price in an active market to an evaluation price from yield curve information in the market put into the general practice bond evaluation model. Therefore, it has been reclassified to the Level 2 based on observable price information other than a quoted price in an active market. There was no bonds reclassified from the Level 1 to the Level 2 for the nine months ended September 30, 2024 and 2023, respectively.

As market quoted prices became available, amounts of share investments of \$2,421 thousand and \$0 thousand were transferred from Level 2 to Level 1 for the nine months ended September 30, 2024 and 2023, respectively.

5) Reconciliation of Level 3 financial assets

For the Nine Months Ended September 30, 2024								
Item	Beginning Balance	Valuation Gains (Losses)		Increase		Decrease		Ending Balance
		In Net Income	In Other Comprehensive Income	Buy or Issue	Transfer in	Sell, Disposal or Delivery	Transfer out	
Financial assets at FVTPL	\$ 12,914,414	\$ 626,166	\$ -	\$ 605,481	\$ -	\$ (1,147,601)	\$ (19,447)	\$ 12,979,013
Financial assets at FVTOCI	2,511,967	-	23,599	-	-	-	-	2,535,566
Total	\$ 15,426,381	\$ 626,166	\$ 23,599	\$ 605,481	\$ -	\$ (1,147,601)	\$ (19,447)	\$ 15,514,579

Note: Financial assets transferred from Level 3 since observable inputs has become available.

For the Nine Months Ended September 30, 2023								
Item	Beginning Balance	Valuation Gains (Losses)		Increase		Decrease		Ending Balance
		In Net Income	In Other Comprehensive Income	Buy or Issue	Transfer in	Sell, Disposal or Delivery	Transfer out	
Financial assets at FVTPL	\$ 12,783,551	\$ 1,949,310	\$ -	\$ 1,806,461	\$ -	\$ (340,348)	\$ (4,801)	\$ 16,194,173
Financial assets at FVTOCI	2,309,581	-	55,826	-	-	(122)	-	2,365,285
Total	\$ 15,093,132	\$ 1,949,310	\$ 55,826	\$ 1,806,461	\$ -	\$ (340,470)	\$ (4,801)	\$ 18,559,458

Note: Financial assets transferred from Level 3 since observable inputs has become available.

Above-mentioned valuation gains (losses) recognized in current profits or losses in the amounts of \$625,529 thousand and \$1,954,480 thousand were attributed to gains (losses) on assets owned for the nine months ended September 30, 2024 and 2023, respectively.

Above-mentioned valuation gains (losses) recognized in other comprehensive income in the amounts of \$23,599 thousand and \$55,826 thousand were attributed to gains (losses) on assets owned for the nine months ended September 30, 2024 and 2023, respectively.

Reconciliation of Level 3 financial liabilities:

For the Nine Months Ended September 30, 2024							
Item	Beginning Balance	Valuation Gains (Losses)	Increase		Decrease		Ending Balance
			Buy or Issue	Transfer in	Sell, Disposal or Delivery	Transfer out	
Financial liabilities at FVTPL	\$ 10,084,023	\$ 976,009	\$ 17,526	\$ -	\$ (1,012,843)	\$ -	\$ 10,064,715

Note: No transfer from Level 3.

For the Nine Months Ended September 30, 2023							
Item	Beginning Balance	Valuation Gains (Losses)	Increase		Decrease		Ending Balance
			Buy or Issue	Transfer in	Sell, Disposal or Delivery	Transfer out	
Financial liabilities at FVTPL	\$ 10,764,094	\$ 2,495,932	\$ 886,598	\$ -	\$ (163,760)	\$ -	\$ 13,982,864

Note: No transfer from Level 3.

Above-mentioned valuation gains (losses) recognized in current profits or losses in the amounts of \$(984,250) thousand and \$(2,500,595) thousand were attributed to gains (losses) on liabilities owned for the nine months ended September 30, 2024 and 2023, respectively.

6) Quantitative information of the fair value measurement of significant unobservable inputs (Level 3)

Most of the Level 3 fair value attributed to the Group only has single significant unobservable input.

The quantitative information of significant unobservable inputs was as follows:

	Fair Value on September 30, 2024	Valuation Technique	Significant Unobservable Inputs	Range of Estimate	Relationship Between Inputs and Fair Value
<u>Non-derivative financial instruments</u>					
Financial assets at FVTPL					
Financial assets mandatorily classified as at FVTPL	\$ 1,597,012	Assets method	Discount for lack of marketability	2%-40%	The higher the discount for lack of marketability, the lower the fair value.
Share investments			Non-controlling interest discount	2%-40%	The higher the discount for non-controlling interests, the lower the fair value.
	362,910	Market method	Discount for lack of marketability	30%-40%	The higher the discount for lack of marketability, the lower the fair value.
	49,741	Revenue method	Discount for lack of marketability	20%-60%	The higher the discount for lack of marketability, the lower the fair value.
			Non-controlling interest discount	20%-30%	The higher the discount for non-controlling interests, the lower the fair value.
Private equity funds	1,622,213	Assets method	Discount rate	1%-9%	The higher the discount rate, the lower the fair value.
			Discount for lack of marketability	0%-30%	The higher the discount for lack of marketability, the lower the fair value.
			Non-controlling interest discount	2%-10%	The higher the discount for non-controlling interests, the lower the fair value.
Financial assets at FVTOCI					
Share investments	2,399,620	Assets method	Discount for lack of marketability	3%-30%	The higher the discount for lack of marketability, the lower the fair value.
			Non-controlling interest discount	7%-30%	The higher the discount for non-controlling interests, the lower the fair value.
	135,946	Market method	Discount for lack of marketability	10%-30%	The higher the discount for lack of marketability, the lower the fair value.
<u>Derivative financial instruments</u>					
Financial assets at FVTPL					
Interest rate swaps	19,479	Cash flow discount method	Discount for lack of marketability	0%-20%	The higher the discount for lack of marketability, the lower the fair value.
<u>Derivative financial liabilities</u>					
Financial liabilities at FVTPL					
Interest rate swaps	387,434	Cash flow discount method	Discount for lack of marketability	0%-20%	The higher the discount for lack of marketability, the lower the fair value.
Exchangeable corporate bond embedded product	274,500	Option pricing model	Volatility rate	11.15%	The higher the volatility rate, the higher the fair value.

	Fair Value on December 31, 2023	Valuation Technique	Significant Unobservable Inputs	Range of Estimate	Relationship Between Inputs and Fair Value
<u>Non-derivative financial instruments</u>					
Financial assets at FVTPL					
Financial assets mandatorily classified as at FVTPL	\$ 1,584,144	Assets method	Discount for lack of marketability	2%-40%	The higher the discount for lack of marketability, the lower the fair value.
Share investments			Non-controlling interest discount	2%-30%	The higher the discount for non-controlling interests, the lower the fair value.
	419,584	Market method	Discount for lack of marketability	20%-40%	The higher the discount for lack of marketability, the lower the fair value.
	44,272	Revenue method	Discount for lack of marketability	20%-60%	The higher the discount for lack of marketability, the lower the fair value.
			Non-controlling interest discount	20%-30%	The higher the discount for non-controlling interests, the lower the fair value.
Private equity funds	1,347,393	Assets method	Discount rate	5%-20%	The higher the discount rate, the lower the fair value.
			Discount for lack of marketability	0%-30%	The higher the discount for lack of marketability, the lower the fair value.
			Non-controlling interest discount	2%-10%	The higher the discount for non-controlling interests, the lower the fair value.
Financial assets at FVTOCI					
Share investments	2,327,358	Assets method	Discount for lack of marketability	3%-30%	The higher the discount for lack of marketability, the lower the fair value.
			Non-controlling interest discount	7%-30%	The higher the discount for non-controlling interests, the lower the fair value.
	184,609	Market method	Discount for lack of marketability	10%-30%	The higher the discount for lack of marketability, the lower the fair value.
<u>Derivative financial assets</u>					
Financial assets at FVTPL					
Interest rate swaps	29,344	Cash flow discount method	Discount for lack of marketability	0%-20%	The higher the discount for lack of marketability, the lower the fair value.
<u>Derivative financial liabilities</u>					
Financial liabilities at FVTPL					
Interest rate swaps	323,575	Cash flow discount method	Discount for lack of marketability	0%-20%	The higher the discount for lack of marketability, the lower the fair value.
Exchangeable corporate bond embedded product	175,500	Option pricing model	Volatility rate	9.08%	The higher the volatility rate, the higher the fair value.

	Fair Value on September 30, 2023	Valuation Technique	Significant Unobservable Inputs	Range of Estimate	Relationship Between Inputs and Fair Value
<u>Non-derivative financial instruments</u>					
Financial assets at FVTPL Financial assets mandatorily classified as at FVTPL Share investments	\$ 1,553,674	Assets method	Discount for lack of marketability	2%-40%	The higher the discount for lack of marketability, the lower the fair value.
			Non-controlling interest discount	2%-30%	The higher the discount for non-controlling interests, the lower the fair value.
	415,135	Market method	Discount for lack of marketability	20%-40%	The higher the discount for lack of marketability, the lower the fair value.
	60,652	Revenue method	Discount for lack of marketability	40%-50%	The higher the discount for lack of marketability, the lower the fair value.
			Non-controlling interest discount	20%-20%	The higher the discount for non-controlling interests, the lower the fair value.
Private equity funds	1,192,020	Assets method	Discount rate	4%-12%	The higher the discount rate, the lower the fair value.
Financial assets at FVTOCI Share investments	2,258,428	Assets method	Discount for lack of marketability	0%-30%	The higher the discount for lack of marketability, the lower the fair value.
			Non-controlling interest discount	3%-30%	The higher the discount for non-controlling interests, the lower the fair value.
	106,857	Market method	Discount for lack of marketability	7%-30%	The higher the discount for lack of marketability, the lower the fair value.
<u>Derivative financial instruments</u>					
Financial assets at FVTPL Interest rate swaps	36,497	Cash flow discount method	Discount for lack of marketability	10%-30%	The higher the discount for lack of marketability, the lower the fair value.
<u>Derivative financial liabilities</u>					
Financial liabilities at FVTPL Interest rate swaps	787,714	Cash flow discount method	Discount for lack of marketability	0%-20%	The higher the discount for lack of marketability, the lower the fair value.
Exchangeable corporate bond embedded product	157,500	Option pricing model	Volatility rate	10.55%	The higher the volatility rate, the higher the fair value.

7) The assessment of fair value based on Level 3 inputs

The financial instruments assessment group of the Group's department of risk management is responsible for independently verifying fair value, using an impartial, reliable source of information, so that the evaluation results reflect market status closely, same with other resource and representing executable price calibrating the assessment model regularly, and updating input values, information and any other information needed to ensure that the assessment model results are reasonable.

The department of investment management targets in equity instruments which obtain financial information audited or reviewed recently from invested company and collect information acquired from public market or private market for the purpose of valuation in proper method.

The department of finance and the department of risk management set assessment policies and procedures for determining the fair values of financial instruments and ensure that these policies and procedures are in compliance with IFRS Accounting Standards.

d. Not measured at fair value

1) Fair value information

The Group's assets that are not measured at fair value, such as cash and cash equivalents, due from the Central Bank and call loans to banks, securities purchased under resell agreements, receivables, reinsurance contract assets, other financial assets, loans, deposits from the Central Bank and banks, due to the Central Bank and banks, securities sold under repurchase agreements, commercial papers issued, payables, deposits and remittances, bonds payable, other borrowings and other financial liabilities have carrying amounts that are equal to, or reasonably approximate, their fair values.

	September 30, 2024		December 31, 2023		September 30, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Financial assets</u>						
Investments in debt instruments at amortized cost (Note)	\$ 736,660,025	\$ 707,387,489	\$ 734,631,003	\$ 702,352,308	\$ 730,800,581	\$ 683,685,493

Note: Include security deposit.

2) Information on fair value hierarchy

Assets and Liabilities	September 30, 2024			
	Total	Level 1	Level 2	Level 3
Financial assets				
Investments in debt instruments at amortized cost	\$ 707,387,489	\$ 4,675,808	\$ 702,711,681	\$ -

Assets and Liabilities	December 31, 2023			
	Total	Level 1	Level 2	Level 3
Financial assets				
Investments in debt instruments at amortized cost	\$ 702,352,308	\$ 21,605,022	\$ 680,747,286	\$ -

Assets and Liabilities	September 30, 2023			
	Total	Level 1	Level 2	Level 3
Financial assets				
Investments in debt instruments at amortized cost	\$ 683,685,493	\$ 22,078,120	\$ 661,607,373	\$ -

3) Valuation techniques

a) Financial instruments such as cash and cash equivalents, due from the Central Bank and call loans to banks, securities purchased under resell agreements, receivables, other financial assets, deposits from the Central Bank and banks, securities sold under repurchase agreements, commercial papers issued, payables, remittance, other borrowings and other financial liabilities, are disclosed at their carrying amounts as shown in the consolidated balance sheets since their maturities are very short or their future payments/receipts approximate their carrying amounts.

- b) Investments in debt instruments at amortized cost: Refer to Note 46 (c) for related information.
- c) Loans (including delinquent loans)

The Group's loan interest rate is usually determined based on the prime rate plus or minus basis points (i.e. the floating rate), which reflects the market interest rate. The expected recovery of loans is taken into consideration. Therefore, loans are disclosed at their carrying amounts.

Medium and long-term loans, which are determined at fixed rates and account for a minor proportion of loans, are disclosed at their carrying amounts.

- d) Deposits

Considering that most of the banking transactions are within one year of maturity, deposits are disclosed at their carrying amounts.

- e) Bonds payable

The bonds issued by the Group are intended to enhance liquidity or for capital management purpose instead of earning short-term profits; therefore, the bonds are disclosed at carrying amounts.

Financial Assets and Financial Liabilities Offsetting

The Group signs net settlement contracts or similar agreements with counterparties. When both transaction parties choose to do netting, the Group can offset financial assets and financial liabilities after the signing of the net settlement agreement. If not, the Group would execute total settlement. However, if one of the transaction parties breaks a contract, the other party can choose to execute net settlement. The table below shows more information on the offset of financial assets and financial liabilities.

September 30, 2024						
Offset and Execution of Net Settlement or Similar Agreement on Financial Assets						
Interpretation	Realized Financial Assets (a)	Offset of Realized Financial Liabilities in Balance Sheet (b)	Net Financial Assets in Balance Sheet (c)=(a)-(b)	Amount of Offset Not Shown in Balance Sheet (d)		Net (e)=(c)-(d)
				Financial Instruments (Note)	Received Cash Collateral	
Derivative	\$ 37,645,367	\$ 15,393,044	\$ 22,252,323	\$ 18,800,863	\$ 2,228,185	\$ 1,223,275

Note: Including net settlement and non-cash collateral.

September 30, 2024						
Offset and Execution of Net Settlement or Similar Agreement on Financial Liabilities						
Interpretation	Realized Financial Liabilities (a)	Offset of Realized Financial Assets in Balance Sheet (b)	Net Financial Liabilities in Balance Sheet (c)=(a)-(b)	Amount of Offset Not Shown in Balance Sheet (d)		Net (e)=(c)-(d)
				Financial Instruments (Note)	Pledged Cash Collateral	
Derivative	\$ 47,311,281	\$ 13,487,812	\$ 33,823,469	\$ 18,800,863	\$ 10,030,956	\$ 4,991,650

Note: Including net settlement and non-cash collateral.

December 31, 2023						
Offset and Execution of Net Settlement or Similar Agreement on Financial Assets						
Interpretation	Realized Financial Assets (a)	Offset of Realized Financial Liabilities in Balance Sheet (b)	Net Financial Assets in Balance Sheet (c)=(a)-(b)	Amount of Offset Not Shown in Balance Sheet (d)		Net (e)=(c)-(d)
				Financial Instruments (Note)	Received Cash Collateral	
Derivative	\$ 54,241,387	\$ 19,322,012	\$ 34,919,375	\$ 28,177,490	\$ 4,818,249	\$ 1,923,636

Note: Including net settlement and non-cash collateral.

December 31, 2023						
Offset and Execution of Net Settlement or Similar Agreement on Financial Liabilities						
Interpretation	Realized Financial Liabilities (a)	Offset of Realized Financial Assets in Balance Sheet (b)	Net Financial Liabilities in Balance Sheet (c)=(a)-(b)	Amount of Offset Not Shown in Balance Sheet (d)		Net (e)=(c)-(d)
				Financial Instruments (Note)	Pledged Cash Collateral	
Derivative	\$ 53,281,408	\$ 6,962,023	\$ 46,319,385	\$ 28,177,490	\$ 12,136,540	\$ 6,005,355

Note: Including net settlement and non-cash collateral.

September 30, 2023						
Offset and Execution of Net Settlement or Similar Agreement on Financial Assets						
Interpretation	Realized Financial Assets (a)	Offset of Realized Financial Liabilities in Balance Sheet (b)	Net Financial Assets in Balance Sheet (c)=(a)-(b)	Amount of Offset Not Shown in Balance Sheet (d)		Net (e)=(c)-(d)
				Financial Instruments (Note)	Received Cash Collateral	
Derivative	\$ 43,328,362	\$ -	\$ 43,328,362	\$ 29,366,891	\$ 612,104	\$ 13,349,367

Note: Including net settlement and non-cash collateral.

September 30, 2023						
Offset and Execution of Net Settlement or Similar Agreement on Financial Liabilities						
Interpretation	Realized Financial Liabilities (a)	Offset of Realized Financial Assets in Balance Sheet (b)	Net Financial Liabilities in Balance Sheet (c)=(a)-(b)	Amount of Offset Not Shown in Balance Sheet (d)		Net (e)=(c)-(d)
				Financial Instruments (Note)	Pledged Cash Collateral	
Derivative	\$ 79,868,489	\$ 26,546,465	\$ 53,322,024	\$ 29,366,891	\$ 9,219,441	\$ 14,735,692

Note: Including net settlement and non-cash collateral.

Transfer of Financial Assets

The Group treats debt securities under repurchase agreements as transferred financial assets that do not qualify for full derecognition; thus, the Group will recognize debts on the transferred financial assets to be bought back at a confirmed price because of the transfer of cash on the debt security contracts. In addition, the Group should not use, sell or pledge the transferred financial assets during the transaction validity period. However, the Group still bears interest and credit risks although the financial assets will not be fully derecognized. The following table shows the amounts of the financial assets that did not qualify for full derecognition and information on the related financial liabilities:

September 30, 2024		
Financial Assets	Transferred Financial Assets - Carrying Amount	Related Financial Liabilities - Carrying Amount
Financial assets at FVTPL sold under repurchase agreement	\$ 37,952,593	\$ 37,363,066
Financial assets at FVTOCI sold under repurchase agreement	44,472,601	44,500,329
Investments in debt instruments at amortized cost sold under repurchase agreement	6,821,405	6,195,696

December 31, 2023		
Financial Assets	Transferred Financial Assets - Carrying Amount	Related Financial Liabilities - Carrying Amount
Financial assets at FVTPL sold under repurchase agreement	\$ 54,781,998	\$ 53,928,575
Financial assets at FVTOCI sold under repurchase agreement	30,880,825	31,730,412

September 30, 2023		
Financial Assets	Transferred Financial Assets - Carrying Amount	Related Financial Liabilities - Carrying Amount
Financial assets at FVTPL sold under repurchase agreement	\$ 57,974,156	\$ 57,371,561
Financial assets at FVTOCI sold under repurchase agreement	28,174,446	27,852,042

Financial Risk Management Objectives and Policies

a. Summary

The Group's goal in risk management is to balance the risks and returns by giving consideration to business operations, overall risk appetite, and external legal restrictions. The major risks the Group sustains include on- and off-balance-sheet credit risks, market risks (including interest rate, exchange rate, equity security prices, credit spread and commodity price risks), liquidity risks and climate-related risks.

The Group has rules for risk management policies, which, after review by the risk management committee, have been approved by the board of directors. Additionally, the Group has established written risk control procedures, which have been reviewed and approved by the level authorized by the board of directors, in order to effectively identify, measure, supervise and control credit risks, market risks, liquidity risks and climate-related risks. Climate-related risk is not an independent risk type that will directly or indirectly aggravate the impact of the above-mentioned existing risks through the economic environment and various businesses. The Group has established climate risk management principles in response to the impacts.

b. Organizational structure of risk management function

The board of directors is the highest level in the risk management function in the Group and takes full responsibility for risk management issues. It has authorized the establishment of a risk management committee under the board of directors, responsible for overseeing the operation of the risk management mechanism, reviewing risk management systems, and discussing risk management issues. The risk control chief takes charge of risk management, reports to the risk management committee and the board of directors periodically and supervises risk management activities.

Risk management department is independent of business department and identifies, assesses, and controls various risks according to risk management standards. In addition, internal auditing department is responsible for the independent review of risk management and control environment.

c. Market risk

1) The source and definition of market risk

Market risk is the uncertainty of changes in fair value of in and off-balance sheets financial instruments due to changes in market risk factors. Market risk factors include interest rates, exchange rates, equity security prices, credit spreads and commodity prices.

a) Interest rate risks

Interest rate risk is fair value changes in interest rate risk position held by the Group due to interest rate changes. The risks are mainly in debt securities and interest rate derivatives.

b) Exchange rate risks

Exchange rate risk refers to the risk of fluctuations in the fair value or future cash flows of financial instruments due to changes in foreign exchange rates. The Group's exchange rate risk mainly comes from derivatives such as spot and forward exchange positions and forward exchange options, as well as assets and liabilities denominated in non-functional currencies.

c) Equity securities price risks

Equity security price risk is the valuation effect on the position held by the Group when the equity security price changes. The Group's equity security price risk mainly comes from public and OTC shares, index futures and options.

d) Credit spread risk

Credit spread risk is the risk of the effect of changes in credit spreads on positions held by the Group. The major risk comes from derivatives such as credit default swaps.

The major market risks of the Group are equity securities price risks, credit spread risks, interest rate risks, and exchange rate risks. The main position of equity securities risk includes domestic public, OTC shares, domestic share index options and share index futures. The main position of credit spread risk includes the credit derivatives, such as credit default swaps and convertible bond asset swap (CBAS), etc. The main position of interest rate risk includes bonds and interest derivative instruments, such as interest rate swap. The main position of exchange rate risk includes the Group's investments denominated in foreign currencies, such as foreign currency spots and foreign currency options.

Effect of interest rate benchmark reform

As the cessation of all LIBOR currencies and terms was officially completed on July 1, 2023, the Group's LIBOR transition project team across subsidiaries and departments has already finished the transition project. The exposures of the transition are replaced by alternative rates, like the secured overnight financing rate (SOFR), other market rates, or fallback rates permitted by the rate oversight authorities (including but not limited to Synthetic LIBOR). The remaining position linked to synthetic LIBOR is expected to mature before the effective due date.

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

September 30, 2024

	Effect of Interest Rate Benchmark Reform
Interest Rate Benchmark	Synthetic USD LIBOR
	Whole Period
Type	Maturity Date after September 30, 2024
Non-derivative financial assets - carrying amount	\$ 546,099
Financial assets at FVTPL	31,748
Financial assets at FVTOCI	514,351

Note a: The carrying amount is the total value, that is, impairment loss or allowance for bad debt is not deducted.

Note b: The due date for all LIBOR currencies and terms has been officially completed. The due date for the Synthetic USD LIBOR for 1 month, 3 months and 6 months is September 30, 2024.

December 31, 2023

	Effect of Interest Rate Benchmark Reform
Interest Rate Benchmark	Synthetic USD LIBOR
	Whole Period
Type	Maturity Date after September 30, 2024
Non-derivative financial assets - carrying amount	\$ 530,357
Financial assets at FVTPL	30,693
Financial assets at FVTOCI	499,664

Note a: The carrying amount is the total value, that is, impairment loss or allowance for bad debt is not deducted.

Note b: The due date for all LIBOR currencies and terms has been officially completed. The due date for the Synthetic USD LIBOR for 1 month, 3 months and 6 months is September 30, 2024.

September 30, 2023

	Effect of Interest Rate Benchmark Reform
Interest Rate Benchmark	USD LIBOR
	Whole Period
Type	Maturity Date after June 30, 2023
Non-derivative financial assets - carrying amount	\$ 1,552,866
Financial assets at FVTPL	129,255
Financial assets at FVTOCI	938,288
Loans	485,323

Note a: The carrying amount is the total value, that is, impairment loss or allowance for bad debt is not deducted.

Note b: The due date for all LIBOR currencies and terms is June 30, 2023. The due date for the Synthetic USD LIBOR 1 month, 3 months and 6 months is September 30, 2024.

2) Market risk management policy

The Group's risk management policy clearly defines the risk management procedures for risk identifying, risk measuring, risk controlling and risk reporting, which are executed by risk management department independently of trading and other departments. The risk management department develops management principles for different businesses and for various aspects of market risk management based on the risk management policy. It establishes market risk management system and regulates market risks, risk limits, stop loss limit and stress tests of various financial assets.

3) Market risk management procedures

a) Identifying risks and measuring possible effects

The Group's risk management department identifies the exposures of positions or new financial instruments to market risks and measures the gains and losses on positions held due to changes in market risk factors based on standards.

The risk management department calculates price sensitivity and gains and losses on positions which are recorded in trading books daily; and calculates the maximum potential losses recorded in each trading book monthly. The Group takes measures to avoid tremendous losses that will harm the Group's operations due to overwhelming changes in market risk factors.

b) Controlling of risk and reporting of issues

The Group controls market risk by managing risk limits. The risk management department sets various trading and non-trading limits, such as value at risk, stop-loss limits, and maximum potential loss. The trading limits are implemented only after they are reported to and approved by the board of directors and monthly risk management meeting.

The risk management department calculates exposures and estimated gains and losses on positions daily to make sure that the positions held and losses do not exceed the risk appetite and limits approved by the board of directors and monthly risk management meeting, then prepares reports to the high-level management, monthly risk management meeting, and the board of directors periodically for their sufficient understanding of the implementation of the market risk management work and, if necessary, issuance of additional guidance.

4) Principles of the market risk management

Based on the related risk management standards, the Group classifies financial instruments into trading books and banking books according to the purpose of holding the instruments and manages them with different methods.

Trading portfolios consists of financial instruments held for trading purposes or commodities held to hedge positions in trading books. A position, such as self-run position or position produced by matched principal brokering or market making, is for trading purposes if it is intended to be sold within a short period, to earn or to lock in profit from actual or expected short-term price fluctuations.

Non-trading portfolios are positions other than aforementioned trading portfolios positions, consisting of medium to long-term equity investments and hedging positions to earn from the appreciation of values and dividends, bonds and notes investments and hedging positions to earn interests, positions held for fund dispatching, liquidity risk management, and interest rate risk management in banking books, and positions held for other management purposes.

a) Management strategy

The goal of market risk management is to pursue maximum return on capital, meaning maximizing the capital usage efficiency to improve shareholders' equity.

In order to control market risks, the risk management department sets risk limits for various investment portfolio based on trading strategies, category of trading products and annual profit goals in order to control exposure to risks on positions and losses.

b) Management principles

The Group stipulated important control regulations “Principles of Market Risk Limit Management”, “Instructions of Valuation Benchmark” and policies and standards of each subsidiary to manage market risk and valuation.

c) Valuation gains and losses

If objective prices of financial instruments exist in open market, such as trading prices, gains and losses on positions are valued in accordance with the market prices by the risk management department. If fair value data is inaccessible, the risk management department will cautiously adopt verified mathematical models to value gains and losses and review the assumptions and parameters of the valuation models periodically.

d) Risk measuring methods

The methods applied by the risk management department in measuring market risks are as follows:

i. Measure the price sensitivity of various risk factors

i) Interest rate risk

It applies DV01 to measure interest risk. DV01 is the change in the value of interest rate risk positions when the yield curve moves upward by one basis point (1bp).

ii) Exchange rate risk

It applies Delta to measure the exchange rate risk of the first order change and applies Gamma to measure the exchange rate risk of the second order change. In addition, Vega is used to measure the first order risk of implied volatility rate.

iii) Equity securities price risk

It applies Delta to measure the independent equity security price risk of the first order change, or market value is applied to indicate the exposure risks on positions of shares.

iv) Credit spread risk

It applies CS 01, which is the impact of the changes in fair value of a position in response to a one basis point (1bp) credit spread change.

As Taishin Life Insurance’s investments are in accordance with the proportionality of its assets and liabilities, there are different risk measurement mechanism. Refer to the descriptions of f. insurance risk and g. financial risk.

ii. Refer to item 6 for the risk assumptions and calculation methods.

iii. Measure potential losses (stress losses) resulting from extreme market volatility in order to assess capital adequacy and essential position adjustments. Refer to item 6 for the stress test.

e) Risk management procedures

The risk management department identifies the products that can be included in the portfolio, evaluates the risk factors on positions, and sets stop-loss limit and limit of VaR to control exposure to position loss. If the stop-loss limit is reached, then the trading department should take immediate remedial steps to reduce the exposure to the risk position.

5) Interest rate risk management in the banking book positions

Taishin Bank

Banking book interest rate risk involves bonds and bills, transactions under repurchase agreement, transactions under resell agreements and their hedge positions, which are held to manage the Bank's liquidity risk and the interest rate risk of deposits and loans undertaken by business departments. The interest rate risk is transferred to banking book management department for centralized management through internal fund transfer pricing (FTP) system. Banking book interest rate risk is the effect on net interest income of risk exposure positions held due to adverse changes in interest rate and shareholder equity economic value.

a) Management strategy

The goal of banking book interest rate risk management is to control interest rate risk position and pursue stability and growth of banking book net interest income under the circumstances that liquidity is appropriate.

b) Management principles

Taishin Bank stipulated "The Principles of Banking Book Interest Rate Risk Management" as the important control regulations for banking book interest rate risk management.

c) Measuring methods

The banking book interest rate risk is the risk of quantitative or repricing term differences due to the differences in amounts or repricing dates of banking book assets, liabilities and off-balance-sheet items. Taishin Bank has rules for risk appetite and limits management. Risk appetite is in accordance with supervision regulation IRRBB (Interest Rate Risk in the Banking Book), monitoring changes in economic value, Tier I capital ratio and net interest income. Taishin Bank measures the effect on net interest income when the yield curve moves upward by 1bp.

d) Management procedures

Taishin Bank defines the instruments of banking book interest rate management and sets the risk appetite and limit of interest rate risk in order to avoid severe recession of net interest income when the interest rate changes unfavorably. The banking book management unit sets limits and keeps the interest rate risk within the risk appetite and limits.

6) Methods for measuring market risk

Taishin Bank

a) Stress test

A stress test is applied to measure loss under extremely unfavorable market circumstances in order to assess financial institutions' tolerance to extreme market volatility.

The risk management unit is required to execute the stress test at least once a month to calculate stress losses for trading portfolios. The risk management unit observes historical information on market prices and sets the biggest possible volatility range for various market risk factors as the stress circumstances. The stress circumstance should be reviewed annually, which should be approved by the high-level risk management and reported to the Chief of financial holding company risk management department. Since there are so many market risk factors that affect trading portfolios, there might be plenty of permutations and combinations of stress circumstances when the unit calculates stress loss. For instance, a change in a market risk factor might result in the biggest loss of one investment portfolio but create profits for another investment portfolio. Based on conservative principles, the risk management unit will take into account the correlation between various risk factors to calculate the biggest loss as the stress loss.

The risk management unit should confirm that overall stress loss for trading portfolios does not exceed the stress loss limit and report to the high-level management as references for adjusting positions or resource distributions.

b) Value at risk, “VaR”

Taishin Bank uses a variety of methods to control market risk; the VaR is one of them. Taishin Bank is using risk model to assess the value of trading portfolios and potential loss amount of holding positions. VaR is Taishin Bank’s important internal risk control system, and the board of directors and monthly risk management meeting review and establish trading portfolio’s limits annually. Actual exposures of Taishin Bank are monitored daily by risk management.

VaR is used to estimate adverse market potential loss of existing positions. The VaR model uses historical simulation method, a one-year historical observation period, the estimate of 99% confidence interval, the maximum possible amount of loss holding positions for one day, and the probability that actual losses may exceed the estimate.

	For the Nine Months Ended September 30, 2024			
	Average	Highest	Lowest	Ending Balance
Exchange VaR	\$ 4,103	\$ 26,095	\$ 881	\$ 3,441
Interest rate VaR	28,396	92,579	10,909	36,961
Equity securities VaR	102,275	164,507	63,261	159,565
Credit spread VaR	7,200	22,431	217	4,471
Value at risk	105,620	166,681	69,708	147,818
	For the Nine Months Ended September 30, 2023			
	Average	Highest	Lowest	Ending Balance
Exchange VaR	\$ 3,389	\$ 15,115	\$ 791	\$ 4,437
Interest rate VaR	51,471	116,874	28,406	42,215
Equity securities VaR	49,497	62,559	26,724	56,005
Credit spread VaR	18,910	29,003	344	24,700
Value at risk	68,965	101,039	50,557	73,674

c) Information of exchange rate risk concentration

For information regarding Taishin Bank’s non-functional currency financial assets and liabilities on the balance sheet date, refer to Note 54.

Taishin Life Insurance

For information regarding methods for measuring market risk and exchange rate risk, refer to the descriptions of f. insurance risk and g. financial risk.

Taishin Securities B

VaR is the potential highest loss for a period within certain confidence interval. For the nine months ended September 30, 2024 and 2023, Taishin Securities B's VaR factors were as follows:

	For the Nine Months Ended September 30, 2024			
	Average	Highest	Lowest	Ending Balance
Value at risk (VaR)	\$ 59,324	\$ 105,644	\$ 40,209	\$ 91,394

	For the Nine Months Ended September 30, 2023			
	Average	Highest	Lowest	Ending Balance
Value at risk (VaR)	\$ 111,874	\$ 169,201	\$ 67,633	\$ 105,808

d. Credit risk

1) Source and definition

Credit risk means the possible loss due to failure of debtors, issuers or counterparties to fulfill their contractual obligations or their ability of fulfill contractual obligations is impaired. Credit risk arises from the operation, on- and off-balance-sheet items, including credit loans, securities trading, securities trading margin purchase and short sale, derivatives transactions and securities investment, etc. Because the business becomes more complex, the credit risk is often generated with other risks that affect one another. For example, exchange rate risk also exists in foreign currency debt investment. Secured loans will be affected by the price volatility on the collateral and market liquidity risk of the collateral. The margin purchase and short sale is subject to fluctuations in the price of collateral, and the convertible bonds are affected by fluctuations in market liquidity or the price of underlying securities.

Credit risk can be divided into the following categories based on the object and nature of business:

a) Credit risk

Credit risk is the risk that a borrower is unable to pay its debt or fulfill its debt commitments in credit loans operation.

b) Issuer (guarantor) risk of the underlying issue

It is the credit risk that share issuers go into liquidation or are unable to pay back money when debt, bills and other securities mature.

c) Counterparty risk

It is the credit risk that the counterparty undertaking OTC derivatives or RP/RS transactions are unable to fulfill settlement obligations.

Counterparty risk is also divided into settlement risk and pre-settlement risk.

i. Settlement risk

It is the loss resulting from the counterparty failing to deliver goods or other money on the settlement date when the Group had fulfilled settlement obligations.

ii. Pre-settlement risk

It is the loss resulting from the counterparty failing to fulfill settlement or pay the obligations and from changes in market prices before the settlement date.

d) Risk of default in customer margin purchase and short sale business

When the customer engages in margin purchase and short sale transactions, there is risk that the customer is unable to repay the price of the margin purchase or the underlying stock of the short sale at the end of the contracted period, or is unable to cover the value of the collateral when the guarantee maintenance ratio is insufficient, resulting in losses borne by the Group.

e) Other credit risks

Country risk, custodian risk, margin trading risk and brokers risk, etc.

2) Credit risk management policies

Taishin Bank

To ensure its credit risk is under control within the tolerable range, Taishin Bank has stipulated in the guidelines for risk management that for all the products provided and businesses conducted, including all on- and off-balance sheet transactions in the banking and trading books, Taishin Bank should make detailed analyses to identify existing and potential credit risks and calculate the expected credit loss under different scenarios and time spans to measure climate-related risks through the analysis of climate change scenarios. Before launching new products or businesses, Taishin Bank ensures compliance with all applicable rules and regulations and identifies relevant credit risks. For sophisticated credit extensions, such as accounts receivable factoring and credit derivative instruments, Taishin Bank also establishes the risk management system described in the related rules and guidelines.

Unless the local authorities regulate the assessment of asset qualities and provision for potential losses of the overseas business department, it is in accordance with Taishin Bank's risk management policies and guidelines.

The measurement and management procedures of credit risks in Taishin Bank's main businesses are as follows:

a) Credit granting business (including loans and guarantees)

i. Credit risk rating

For risk management purposes, Taishin Bank rates credit qualities (by using internal rating models for credit risk or credit score tables) in accordance with the nature and scale of a business.

The corporate finance department's internal rating adopts two aspects. One is obligor risk rating (ORR) and the other is Facility Risk Rating (FRR). ORR is used to assess the possibility of the debtor performing financial commitments, which is a quantitative value based on the probability of default (PD) within one year. FRR is used to assess the effect of rating structures and collateral conditions on credit rating, which is a quantitative value based on loss given default (LGD). At the same time, experts also engage in judging and adjusting the rating overrides of statistic models to make up for the limitation of the model.

The consumer finance department's internal rating system adopts product characteristic and debtor condition (such as new case or behavior grading) as the basis of segmentation. It is to ensure that the same pools of debtors and risk exposure are homogeneous. At the same time, review of loans based on experts' override is complemented to make up for the limitation of the model.

ii. Strengthening of management and tracking of credit account after loan

Corporate Finance Department post-loan control unit has built post-loan management system. Online functions include post-loan condition inspections, reviews, early warning indicators, material information notifications, and management of accounts under observation etc. It hopes to make tracking and processing of interim management information of credit accounts faster via system automation and strengthen the management and reduce credit risk.

iii. The measurement of ECLs

At the end of the reporting period, Taishin Bank evaluates the risk of default occurring over the expected life of loans, to determine if the credit risk has increased significantly since original recognition. In order to perform this evaluation, Taishin Bank considers the information regarding whose credit risk has significantly increased since the respective loan's initial recognition as well as corroborative information (including forward-looking information). The key indicators include quantitative indicators such as changes in internal and external credit ratings, overdue conditions (such as being more than one month overdue), etc., as well as qualitative indicators such as a worsening of debt paying ability, unfavorable changes in operating financial and economic conditions and significant increases in credit risk of borrowers' other financial instruments. At the end of the reporting period, Taishin Bank assumes that the credit risk has not increase significantly for those whose credit risk is determined to be low.

Taishin Bank has the same definition of default on credit assets and credit impairment. The evidence of credit losses on financial assets includes overdue conditions (e.g. past due for more than three months) and significant financial distress of the borrower. The definitions of default and credit impairment are consistent with the definitions of the financial assets for the purpose of internal credit risk management, which are also used in the relevant impairment assessment model.

In order to assess the ECLs, the loans will be assessed in groups based on the nature of the products, borrowers' credit ratings and collateral, and the Group takes into consideration each borrower's probability of default (PD), loss given default (LGD) and exposure at default (EAD) for the next 12 months and for the lifetime of the loan and considers the impact of the monetary time value in order to calculate the ECLs for 12 months and for the lifetime of the loan, respectively.

The PD and LGD used in the impairment assessment are based on internal historical information (such as credit loss experience) of each combination and are calculated based on current observable data and forward-looking general economic information.

Taishin Bank assesses the EAD, PD and LGD using the current exposure method, the group estimating method and the recovery rate adjustment method, respectively. When assessing internal credit ratings, the Group takes factors into account to adjust PD as follows: It considers the respective borrower's future financial and business prospect, guarantors, shareholders and group background, as well as the forward-looking effects of environmental changes in the economy, markets and regulations in corporate finance; and it considers overall economic indicators (e.g. gross domestic product (GDP)) that are adjusted according to the asymptotic single risk factor (ASRF) model.

There was no significant change in valuation techniques and major assumptions used to assess the ECLs of the loans by Taishin Bank in 2024 and 2023.

In addition to the aforementioned assessment procedures, which classify loans in accordance with the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans, the loans are classified into five categories for evaluation. Except for normal loans, the remainder are classified into the first category. After the assets are assessed on the basis of the guarantee status of the claims and the length of the time overdue, they are respectively classified within the remaining categories according to the probability of recovery as follows: The second category is for notable assets; the third category is for assets which are expected to be recovered; the fourth category is for assets which will be difficult to recover; and the fifth category is for assets for which recovery is considered hopeless. The highest values of the aforementioned evaluation results are taken to measure the allowance loss.

In order to manage problematic loans, procedures are adopted for the reorganization of loan loss provisions, the allowance for bad debt or guarantee liability provisions, the measurement of overdue loans and the collection of default loans. In the management of loans, Taishin Bank is also guided by the Regulations Governing the Procedures for Corporation Credit Businesses to Evaluate Assets and Deal with Non-performing Assets, Measures for Corporation Credit Businesses to Be Taken When Credit Extensions Become Past Due and Regulations Governing Collection Procedures, Regulations Governing the Procedures for Consumer Finance to Evaluate Assets and Deal with Non-performing Assets, Regulations Governing the Procedures for Overdue Loans, Non-accrual Loans and Doubtful Loans.

iv. Write-off policy

Overdue loans and non-accrual loans for which one of the following events have occurred should have the estimated recoverable amount deducted and should then be written off as bad debts.

- The debtor may not recover all or part of the obligatory claim due to dissolution, disappearance, settlement, bankruptcy or other reasons.
- The appraisal of the collateral, the property of the principal debtor and the surety is low, or the amount of the loan's priority is deducted, or the collection implementation costs may approach or exceed the amount that Taishin Bank can repay, or the loan is not able to be collected.
- The property of the principal debtor and the surety were auctioned off at multiple auctions, no one was required to buy it and Taishin Bank did not bear the benefit.
- Overdue loans and non-accrual loans, which have been overdue for more than two years have been collected but have not been received.

However, for overdue loans and non-accrual loans which have been overdue for more than three months but less than two years, after the collection has not been recovered and after deducting the recoverable portion, the remainder will be written off as bad debts.

Loans are written off in accordance with relevant regulations and procedures; the activities of the principal debtor and the surety from obligatory claims shall still be monitored by the relevant business department. If there is property that is available for execution, the Group shall sue according to the relevant laws.

If an evaluation determines that there is no benefit to be gained from the collection activities described in the preceding paragraph, such shall be reported to and approved by the board of directors, and the debt shall no longer be posted in the accounts and subject to control; however, such debt shall continue to be recorded in registry books for acknowledgement.

b) Due from and call loans to banks

Taishin Bank evaluates the credit status of counterparties before deals are closed. Taishin Bank grants different limits to the counterparties based on their respective credit ratings as suggested by external qualified credit rating institutes.

c) Security investment and financial derivatives transaction

Regarding the credit risk of security investments and financial derivatives, Taishin Bank manages the risk by internal credit rating of issuers, issued underlying assets, counterparties, and by external credit rating of debt instruments and counterparties or status of regions/countries.

The other banks with which Taishin Bank conducts derivative transactions are mostly considered investment grade. The credits extended to counterparties that are not rated as investment grade are assessed on a case-by-case basis. The credits extended to counterparties are monitored in accordance with the related contract terms and conditions, and the credit limits for derivatives established in normal credit granting processes. Meanwhile, Taishin Bank has set the total position limit on trading and banking book securities and each issuer's limit based on credit ratings.

Taishin Bank assesses the change in risk of default over the expected lifetime of investments in debt instruments as of the end of the reporting period, so as to determine whether there has been a significant increase in credit risk since initial recognition. In order to make this assessment, Taishin Bank considers reasonable indicators of a significant increase in credit risk since initial recognition and corroborative information (including forward-looking information). The main indicators include quantitative indicators, such as external credit ratings, qualitative indicators, such as weakening solvency from adverse changes in operating, financial and economic conditions, and a significant increase in credit risk of the issuer's other financial instruments. Where Taishin Bank determines that the credit risk is low as of the reporting date, it will assume that the credit risk will not have a significant increase.

Taishin Bank defines default of investments in debt instruments and credit impairment the same. Evidence of financial asset credit impairment includes external credit ratings and the issuers experiencing severe financial difficulties. The definitions of default and credit impairment apply to the relevant impairment assessment model.

Based on credit assessment charts, Taishin Bank manages the internal and external credit assessment of debt instruments according to Moody's long-term credit ratings. Credit risk is significantly increased if:

- i. The rating is over Baa3 on the initial recognition date, and the rating is lower than Ba1, not including ratings of Ca-D on the measurement date.
- ii. The rating is Ba1-Ba3 on the initial recognition date, and the rating is downgraded to B1-Caa3 on the measurement date.
- iii. The rating is B1-Caa3 on the initial recognition date.

A loan is considered to have been defaulted on if the rating is Ca-D on the measurement date.

The trading department should monitor the credit position of investments in debt instruments. Once it knows that the issuer, guarantor or issued underlying has a credit event (such as a downgrade of credit ratings to non-investment grade, a discharge or a default), it should notify the relevant department immediately and dispose of the investments in debt instruments.

In order to assess the purpose of the ECLs, debt instruments are assessed by grade based on their credit rating. In order to measure the ECLs, the default probability of the issuers is considered, the PD, LGD, EAD for the next 12 months and over the full lifetime of the debt instruments shall be considered, and the impact of the time value of money shall be considered. From this, the 12-month and full-lifetime ECLs shall be calculated separately.

Taishin Bank assesses the EAD of investments in debt instruments using the current exposure method (CEM) and adopts external rating information, PD and LGD which are announced periodically by international credit rating agencies (S&P and Moody's), to calculate the ECLs.

Due to international credit rating agencies already considering the prospective information, it is appropriate to assess such information and then include it in the assessment of the related ECLs of Taishin Bank.

Taishin Bank evaluated that the assessment techniques or material assumptions of the ECLs of investments in debt instruments had no material change in 2024 and 2023.

Leasing subsidiaries

The Group adopts the simplified approach to assess the allowance for lease receivables based on their lifetime ECLs. In order to measure the loss allowance, the combination by past due positions is classified, the rating of losses are evaluated using the provision matrix approach, and the EAD of applicants is considered. With this and the impact of time value of money, the lifetime ECLs are calculated.

To loss ratings used in the impairment assessments are calculated based on internal historical data (such as credit loss experience) for each group and on currently observable data which is adjusted according to prospective general economic data.

The Group evaluates EAD using the book amount of lease receivables and assess the loss ratings using the recovery rate adjusted method. The Group uses economic indicators such as prospective data to adjust loss ratings using the standard deviation method. The Group uses Taiwan's composite leading index as the basis for the adjustments of prospective data.

Except for the Group's offer to extend loan repayment period or to make adjustments to installment repayment amounts, which were included in the consideration of significant accounting estimates used in the analysis of asset impairment, the Group evaluated that the assessment techniques or material assumptions of ECLs of lease receivables had no material change in 2024 and 2023.

The following table details lease receivables based on the Group's provision matrix using the simplified approach:

September 30, 2024

	Normal or Less than 29 Days Past Due	30-89 Days Past Due	90-179 Days Past Due	180-359 Days Past Due
Loss rate	0.64%	13.56%	56.41%	89.77%
Amount of exposure	25,567,241	268,588	167,326	89,285
Loss allowance	164,873	36,422	94,389	80,153

December 31, 2023

	Normal or Less than 29 Days Past Due	30-89 Days Past Due	90-179 Days Past Due	180-359 Days Past Due
Loss rate	0.64%	23.03%	68.35%	83.91%
Amount of exposure	25,275,020	268,022	160,748	111,599
Loss allowance	162,154	61,734	109,874	93,640

September 30, 2023

	Normal or Less than 29 Days Past Due	30-89 Days Past Due	90-179 Days Past Due	180-359 Days Past Due
Loss rate	0.65%	19.56%	74.50%	83.02%
Amount of exposure	25,111,700	299,569	217,116	123,420
Loss allowance	164,222	58,601	161,746	102,461

Under Taishin Financial Holding and Taishin Bank's approval of asset quality, the minimum loss allowance of lease receivables shall be assessed in accordance with the Regulations of the Procedures for Banking Institutions to Evaluate Assets and Deal with Past Due/Non-performing Loans and Bad Debts issued by the MOF.

When lease receivables are recognized as bad debts because they cannot be recovered or they are 360 days or more past due, the relevant regulations will be followed for recourse actions.

Taishin Life Insurance

For information regarding credit risk management policies, refer to the descriptions of f. insurance risk and g. financial risk.

Taishin Securities B

To ensure its credit risk is under control within the tolerable range, Taishin Securities B has stipulated in the guidelines for risk management that for all the businesses conducted, including all on- and off-balance-sheet transactions should make detailed analyses to identify existing and potential credit risks, in order to operate in coordination with Taishin Securities B's business development and Taishin Financial Holding's overall risk appetite. Before launching new products or businesses, Taishin Securities B ensures compliance with all applicable rules and regulations and identifies relevant credit risks.

The measurement and management procedures of credit risks in Taishin Securities B's main businesses are as follows:

a) Issuer credit risk management

In order to effectively utilize resources by the Group, the same standard of internal credit rating is used for issuers/guarantors of securities, supplemented by external credit ratings of debt instruments/issuers/guarantors by external credit rating agencies, and regional/country status oriented management. The credit rating is based on the single-issuer portion of each credit rating.

b) Counterparty credit risk management

In order to avoid the pre-settlement risk of non-performance by counterparties, pre-settlement risk limits are set for each counterparty and are evaluated daily at market prices to ensure that the risk of each counterparty is within the acceptable range of Taishin Securities B.

c) Concentration risk management

To avoid overconcentration of investment targets, the risk management sets single-file stock part limits and sector limits for the main business, and sorts the same person (enterprise) and the same related enterprise (group), and then submits them to the Group. Concentration risk management aims to avoid credit risk caused by large part concentration.

d) Risk management of brokerage business

The opening of credit accounts is handled in accordance with Taishin Securities B's internal control, and has been set up to strictly manage customer credit risks; the trading of customer securities margin purchase and short sale business is regulated in accordance with the guidelines for securities margin purchase and short sale management, and the maintenance rate is controlled, and the authority of each authorized supervisor is set at different levels to effectively manage customer credit trading risks.

e) Country risk management

In order to avoid the concentration of overseas risks undertaken by Taishin Securities B in specific countries, its scope includes brokerage credit business, and investment business (including stocks, bonds, securitized commodities, derivative financial assets and liabilities for non-hedging purposes, other investments, etc.).

3) Credit risk hedging or mitigation policies

Taishin Bank

a) Collateral

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

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

The following table details the information on the collateral of credit-impaired financial assets:

September 30, 2024

	Gross Carrying Amount	Impairment under IFRS 9	Proportion of Loans/ Collateral (Note)
Personal housing loans	\$ 4,994,807	\$ 1,369,057	31.96%
Business guaranteed loans	1,346,053	339,370	102.64%
Others	6,432,081	2,359,624	
Total	\$ 12,772,941	\$ 4,068,051	

Note: The value of the collateral is calculated based on the latest accessible internal and external data.

December 31, 2023

	Gross Carrying Amount	Impairment under IFRS 9	Proportion of Loans/ Collateral (Note)
Personal housing loans	\$ 4,439,040	\$ 1,318,864	34.10%
Business guaranteed loans	1,355,476	337,263	102.49%
Others	6,887,716	2,633,154	
Total	\$ 12,682,232	\$ 4,289,281	

Note: The value of the collateral is calculated based on the latest accessible internal and external data.

September 30, 2023

	Gross Carrying Amount	Impairment under IFRS 9	Proportion of Loans/ Collateral (Note)
Personal housing loans	\$ 4,509,228	\$ 1,351,564	33.74%
Business guaranteed loans	1,794,516	815,056	101.13%
Others	6,692,719	2,390,167	
Total	\$ 12,996,463	\$ 4,556,787	

Note: The value of the collateral is calculated based on the latest accessible internal and external data.

b) Credit risk concentration limits and control

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

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

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

c) Net settlement

Taishin Bank settles most of its transactions at gross amounts. For further reduction of credit risks, settlement netting is used for some counterparties or some circumstances where the transactions with counterparties are terminated due to defaults.

d) Other credit enhancements

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

4) Maximum exposure to credit risk and credit quality analysis

The maximum credit risk exposures of various financial instruments held by the Group are the same as per book amounts. Refer to the notes to the consolidated financial statements.

Part of financial assets held by the Group, such as cash and cash equivalents, due from the Central Bank and call loans to banks, financial assets at FVTPL, securities purchased under resell agreements, deposit refunds, operating deposits, and settlement deposits are exposed to low credit risks because the counterparties have rather high credit ratings.

Based on risk ratings, the amounts of maximum credit risk exposure (excluding the guarantees or other credit enhancements) at each stage of ECLs on September 30, 2024, December 31, 2023 and September 30, 2023 are as follows:

Taishin Bank Consolidated

	September 30, 2024			
	12-month ECLs	Lifetime ECLs - Unimpaired	Lifetime ECLs - Impaired	Total
Loans				
Consumer finance				
Excellent	\$ 922,117,589	\$ 17,031,835	\$ -	\$ 939,149,424
Good	8,253,060	229,609	-	8,482,669
Acceptable	-	301,716	-	301,716
Default	-	-	8,403,960	8,403,960
Corporate finance				
Excellent	424,568,457	-	-	424,568,457
Good	331,581,399	-	-	331,581,399
Acceptable	188,553	1,643,454	-	1,832,007
Default	-	-	1,721,566	1,721,566
Total	\$ 1,686,709,058	\$ 19,206,614	\$ 10,125,526	\$ 1,716,041,198
Receivables (including non-performing receivables transferred, other than those from loans)				
Consumer finance				
Excellent	\$ 77,614,575	\$ 82,709	\$ -	\$ 77,697,284
Good	300,272	3,525	-	303,797
Acceptable	-	118,214	-	118,214
Default	-	-	1,848,094	1,848,094
Corporate finance				
Excellent	24,682,208	-	-	24,682,208
Good	4,736,455	-	-	4,736,455
Acceptable	5,409	7,807	-	13,216
Default	-	-	597,142	597,142
Others	12,002,775	32,062,539	202,179	44,267,493
Total	\$ 119,341,694	\$ 32,274,794	\$ 2,647,415	\$ 154,263,903
Debt instruments at FVTOCI				
Excellent	\$ 126,315,064	\$ -	\$ -	\$ 126,315,064
Investments in debt instruments at amortized cost				
Excellent	\$ 517,274,104	\$ -	\$ -	\$ 517,274,104
Financial guarantees				
Excellent	\$ 23,687,246	\$ -	\$ -	\$ 23,687,246
Good	8,364,054	-	-	8,364,054
Acceptable	8,210	-	-	8,210
Total	\$ 32,059,510	\$ -	\$ -	\$ 32,059,510
Loan commitments				
Excellent	\$ 1,222,777,935	\$ 197,919	\$ -	\$ 1,222,975,854
Good	257,882,546	187	-	257,882,733
Acceptable	67,039	85,969	-	153,008
Default	-	-	177,800	177,800
Total	\$ 1,480,727,520	\$ 284,075	\$ 177,800	\$ 1,481,189,395

	December 31, 2023			
	12-month ECLs	Lifetime ECLs - Unimpaired	Lifetime ECLs - Impaired	Total
Loans				
Consumer finance				
Excellent	\$ 848,545,967	\$ 21,432,843	\$ -	\$ 869,978,810
Good	5,825,283	61,751	-	5,887,034
Acceptable	-	193,601	-	193,601
Default	-	-	7,975,338	7,975,338
Corporate finance				
Excellent	347,251,523	-	-	347,251,523
Good	304,541,658	-	-	304,541,658
Acceptable	23,000	553,284	-	576,284
Default	-	-	2,003,342	2,003,342
Total	\$ 1,506,187,431	\$ 22,241,479	\$ 9,978,680	\$ 1,538,407,590
Receivables (including non-performing receivables transferred, other than those from loans)				
Consumer finance				
Excellent	\$ 70,024,425	\$ 75,481	\$ -	\$ 70,099,906
Good	227,178	368	-	227,546
Acceptable	-	73,447	-	73,447
Default	-	-	1,752,680	1,752,680
Corporate finance				
Excellent	23,723,368	-	-	23,723,368
Good	5,659,908	-	-	5,659,908
Acceptable	16	2,496	-	2,512
Default	-	-	619,172	619,172
Others	12,381,706	27,081,287	331,701	39,794,694
Total	\$ 112,016,601	\$ 27,233,079	\$ 2,703,553	\$ 141,953,233
Debt instruments at FVTOCI				
Excellent	\$ 127,757,688	\$ -	\$ -	\$ 127,757,688
Investments in debt instruments at amortized cost				
Excellent	\$ 530,992,007	\$ -	\$ -	\$ 530,992,007
Financial guarantees				
Excellent	\$ 21,111,429	\$ -	\$ -	\$ 21,111,429
Good	8,479,050	-	-	8,479,050
Total	\$ 29,590,479	\$ -	\$ -	\$ 29,590,479
Loan commitments				
Excellent	\$ 1,216,706,453	\$ 264,204	\$ -	\$ 1,216,970,657
Good	240,898,719	-	-	240,898,719
Acceptable	-	105,067	-	105,067
Default	-	-	317,983	317,983
Total	\$ 1,457,605,172	\$ 369,271	\$ 317,983	\$ 1,458,292,426

	September 30, 2023			
	12-month ECLs	Lifetime ECLs - Unimpaired	Lifetime ECLs - Impaired	Total
Loans				
Consumer finance				
Excellent	\$ 825,572,384	\$ 22,256,469	\$ -	\$ 847,828,853
Good	6,530,093	192,103	-	6,722,196
Acceptable	-	166,909	-	166,909
Default	-	-	7,941,856	7,941,856
Corporate finance				
Excellent	325,190,749	-	-	325,190,749
Good	308,981,770	-	-	308,981,770
Acceptable	256,050	621,558	-	877,608
Default	-	-	2,341,175	2,341,175
Total	\$ 1,466,531,046	\$ 23,237,039	\$ 10,283,031	\$ 1,500,051,116
Receivables (including non-performing receivables transferred, other than those from loans)				
Consumer finance				
Excellent	\$ 69,868,616	\$ 86,758	\$ -	\$ 69,955,374
Good	218,321	916	-	219,237
Acceptable	-	63,561	-	63,561
Default	-	-	1,765,974	1,765,974
Corporate finance				
Excellent	28,008,309	-	-	28,008,309
Good	6,150,766	-	-	6,150,766
Acceptable	1,627	1,312	-	2,939
Default	-	-	652,322	652,322
Others	12,750,784	32,579,256	295,136	45,625,176
Total	\$ 116,998,423	\$ 32,731,803	\$ 2,713,432	\$ 152,443,658
Debt instruments at FVTOCI				
Excellent	\$ 113,869,912	\$ -	\$ -	\$ 113,869,912
Investments in debt instruments at amortized cost				
Excellent	\$ 524,155,437	\$ -	\$ -	\$ 524,155,437
Financial guarantees				
Excellent	\$ 22,978,874	\$ -	\$ -	\$ 22,978,874
Good	6,580,525	-	-	6,580,525
Total	\$ 29,559,399	\$ -	\$ -	\$ 29,559,399
Loan commitments				
Excellent	\$ 1,240,562,180	\$ 282,864	\$ -	\$ 1,240,845,044
Good	246,183,640	354	-	246,183,994
Acceptable	-	96,991	-	96,991
Default	-	-	343,530	343,530
Total	\$ 1,486,745,820	\$ 380,209	\$ 343,530	\$ 1,487,469,559

Taishin Life Insurance

For information regarding credit risk rating levels, refer to the description of g. financial risk.

Taishin Securities B

The distribution of internal credit ratings of Taishin Securities B's financial assets as of September 30, 2024, December 31, 2023 and September 30, 2023 are as follows:

Distribution of Internal Credit Ratings									
Internal Credit Ratings	September 30, 2024			December 31, 2023			September 30, 2023		
	Convertible Bond	Bonds	Percentage of Item (%)	Convertible Bond	Bonds	Percentage of Item (%)	Convertible Bond	Bonds	Percentage of Item (%)
1	\$ 1,020,119	\$ 2,665,714	26.74	\$ 942,322	\$ 4,194,275	34.22	\$ 1,226,923	\$ 4,199,053	38.80
2	2,237,117	1,317,800	25.79	2,281,151	1,103,666	22.55	1,760,221	986,304	19.64
3	2,101,947	519,613	19.0	2,250,187	1,004,571	21.67	1,937,028	1,364,861	23.62
4	2,638,501	196,641	20.57	1,715,501	-	11.43	1,212,949	-	8.68
5	364,849	449,000	5.90	804,607	448,456	8.35	583,662	448,236	7.38
Less than or equal to 6	274,731	-	2.0	267,298	-	1.78	262,691	-	1.88
Total	\$ 8,637,264	\$ 5,148,768	100.00	\$ 8,261,066	\$ 6,750,968	100.00	\$ 6,983,474	\$ 6,998,454	100.00

Note: This table excludes central government bonds and Exchange Traded Debt.

5) Situation of credit risk concentration

Prominent concentration of credit risks occurs when transaction parties for financial instruments prominently concentrate on one party, or on a few that are in similar business lines or exhibit similar economic characteristics. The characteristics of concentration of credit risks include the nature of business activities engaged by debtors. The Group has not engaged in transactions that involved a prominent concentration to one client or one transaction party, but has engaged in transaction parties of similar industry type or from similar region.

The Group's information on loans with a significant concentration of credit risk is as follows:

Taishin Bank

Industry Type	September 30, 2024		December 31, 2023		September 30, 2023	
	Carrying Amount	Percentage of Item (%)	Carrying Amount	Percentage of Item (%)	Carrying Amount	Percentage of Item (%)
Manufacturing	\$ 214,454,381	12	\$ 183,049,382	12	\$ 174,180,949	12
Wholesale and retail	79,352,675	5	65,677,703	4	66,319,915	4
Finance and insurance	174,198,697	10	141,133,562	9	137,291,986	9
Real estate and leasing	168,248,652	10	160,209,014	10	154,543,135	10
Service	32,309,854	2	27,577,945	2	27,738,849	2
Individuals	970,973,636	57	898,966,768	59	877,774,006	59
Others	76,503,303	4	61,793,216	4	62,202,276	4
	<u>\$ 1,716,041,198</u>		<u>\$ 1,538,407,590</u>		<u>\$ 1,500,051,116</u>	

Geographic Type	September 30, 2024		December 31, 2023		September 30, 2023	
	Carrying Amount	Percentage of Item (%)	Carrying Amount	Percentage of Item (%)	Carrying Amount	Percentage of Item (%)
Asia	\$ 1,573,039,326	92	\$ 1,429,224,017	93	\$ 1,388,927,648	93
Europe	21,489,736	1	9,548,062	1	8,614,640	-
America	2,162,747	-	2,577,551	-	1,072,493	-
Others	119,349,389	7	97,057,960	6	101,436,335	7
	<u>\$ 1,716,041,198</u>		<u>\$ 1,538,407,590</u>		<u>\$ 1,500,051,116</u>	

Taishin Life Insurance

For information regarding analysis of credit risk concentration, refer to the description of g. financial risk.

Taishin Securities B

Taishin Securities B's information on credit risk concentration by industry is as follows:

Industry Type	Distribution of Industry Type					
	September 30, 2024		December 31, 2023		September 30, 2023	
	Convertible Bond	Percentage of Item (%)	Convertible Bond	Percentage of Item (%)	Convertible Bond	Percentage of Item (%)
03 Plastic industry	\$ -	-	\$ 5,024	0.06	\$ 4,896	0.07
04 Textile industry	288,336	3.34	44,712	0.54	60,513	0.87
05 Electrical machinery	235,096	2.72	257,280	3.11	277,364	3.97
06 Electric cable	1,303	0.02	5,589	0.07	2,520	0.04
10 Ferrous industry	240,360	2.78	141,742	1.72	105,662	1.51
11 Rubber Industry	99,129	1.15	104,690	1.27	-	-
12 Automotive industry	89,172	1.03	23,259	0.28	20,282	0.29
13 Electronics industry	232,021	2.69	122,530	1.48	132,769	1.90
14 Building materials construction	398,737	4.60	426,067	5.16	297,703	4.26
15 Shipping	358,613	4.15	587,864	7.12	501,316	7.18
16 Tourist industry	38,565	0.45	12,239	0.15	6,791	0.10
17 Finance and insurance	3,869	0.04	58,751	0.71	282,411	4.04
18 Department	72,264	0.84	107,821	1.30	58,752	0.84
20 Others	1,437,295	16.64	1,567,571	18.98	1,205,119	17.26
21 Chemical industry	209,149	2.42	247,517	3.00	243,167	3.49
22 Biotechnology and medicine industry	486,309	5.63	505,310	6.12	488,769	7.00
23 Hybrid electric gas	647,693	7.50	623,733	7.55	580,535	8.31
24 Semiconductor industry	355,876	4.12	257,701	3.12	226,420	3.24
25 Computer peripherals	1,025,176	11.87	766,100	9.27	783,540	11.22
26 Opto-electronics industry	596,240	6.90	469,893	5.69	209,411	3.00
27 Communication network industry	1,008,498	11.68	1,175,110	14.22	894,921	12.81
28 Electronic parts and components	130,981	1.52	307,201	3.72	249,086	3.57
29 Electronic channel industry	58,804	0.68	77,871	0.94	-	-
30 Information service industry	573,161	6.64	343,127	4.15	212,789	3.05
31 Other electronic industry	2,325	0.03	-	-	-	-
33 Agri-technologies industry	14,443	0.17	15,959	0.19	14,268	0.20
34 Electronic commerce industry	33,849	0.39	6,405	0.08	124,470	1.78
	<u>\$ 8,637,264</u>	<u>100.00</u>	<u>\$ 8,261,066</u>	<u>100.00</u>	<u>\$ 6,983,474</u>	<u>100.00</u>

e. Liquidity risk

1) The source and definition of liquidity risk

Liquidity risk is the potential loss that the Group may suffer due to inability to liquidate assets or raise enough funds in reasonable time to perform obligations when due and to meet the demands of assets growth. Sources of liquidity risk are as follows:

- a) Inability to fulfill funding gap due to asymmetric time and amount in cash inflows and outflows.
- b) Liabilities paid off in advance before maturity, inability to maintain liabilities at maturity or inability to acquire funds from the market.
- c) Inability to liquidate current assets at reasonable price or raising funds to fulfill funding gap with price higher than the reasonable one.

Except for the liquidity risks arising from normal operation, the Group's liquidity might be affected by events such as credit ratings being downgraded, credibility seriously damaged, financial system's system risk, causing customers to lack confidence and canceling deposits before maturity, call loans from banks being suspended, resell or repurchase transactions being deterred and liquidity of financial assets decreasing.

2) Liquidity risk management policy

Taishin Bank

The objective of liquidity risk management is to ensure that Taishin Bank can acquire funds at a reasonable price to pay off debt, perform obligations and contingent liabilities and satisfy demands required by business growth either in normal operation or under sudden, serious and unusual circumstances.

Taishin Bank has established policies on assets and liabilities management that stipulate related liquidity risk management rules, stipulate clear distinction between accountability and responsibility of Asset and Liability Committee and management departments and regulate the setting of liquidity risk appetite and limits, risk measuring, risk monitoring and the scope and procedures of reporting to ensure that overall liquidity risk is within the limits of liquidity risk appetite approved by the board of directors.

Basic principles of liquidity risk management policy are as follows:

- a) Principle of risk diversification: Taishin Bank should avoid excessively concentrating funds on the same maturity, instruments, currencies, regions, funding sources or counterparties.
- b) Principle of stability: Taishin Bank should follow stable strategies and pay attention to market and internal funding liquidity. For example, Taishin Bank should absorb the core deposits at appropriate time in order to prevent market volatility from affecting funding sources and thus lower dependence on unstable fund sources.
- c) Principle of maintaining appropriate asset liquidity: Market liquidity will indirectly affect funding liquidity. Therefore, Taishin Bank should make sure total assets could pay off total liabilities and maintain certain proportion of assets with high liquidity or collateral in order to finance funds and pay off current liabilities in critical and urgent time.
- d) Principle of matching asset and liability maturity: Taishin Bank should pay attention to the spread of maturity and liquidity of liquid assets and current assets should be sufficient to pay off current liabilities.

For urgent or sudden liquidity events, Taishin Bank has stipulated urgent fund dispatching handling plan as the highest principle for urgent events in order to integrate the Bank's resources quickly to resolve emergencies efficiently.

Taishin Life Insurance

For information regarding funding liquidity risk management, refer to the descriptions of f. insurance risk and g. financial risk.

Taishin Securities B

Taishin Securities B's funding liquidity risk management incorporates funding sources, funding application and gap management. Key control points are as follows:

- a) Funding sources: Other than ensuring stability and risk diversification of funding sources, Taishin Securities B maintains sufficient credit limits in order to cope with volatility risk from unexpected funding supply.
- b) Funding application: When assessing investment income, Taishin Securities B ensures its liquidity and safety in order to cope with liquidity risk from unexpected funding needs.

- c) Gap management: Taishin Securities B implements funding gap management of various term structures in order to efficiently control unexpected fund dispatching.

Market liquidity risk includes on and off-balance sheets transactions. To make sure that market liquidity of positions with low liquidity is within tolerable range, Taishin Securities B stipulated in its risk management rules that it should carefully analyze and efficiently identify existing and potential market liquidity risk in order to operate in coordination with Taishin Securities B's business development and Taishin Financial Holding's overall risk appetite. Before promoting new products and business, Taishin Securities B should also scrutinize related operation rules and confirm related market liquidity risk.

The market liquidity management procedures and measurement methods of Taishin Securities B's major business are as follows:

- a) When closeout of a position with low amount of market transactions and low liquidity occurs, impairment is generated due to increase of bid-ask premium and extension of covered time. Therefore, liquidity reserve is drawn based on product categories in internal assessment to avoid biased assessment.
 - b) The proportion limit is calculated as the sum of position, which is the amount of quoted and OTC shares over one-day average volume, of the investment portfolio. The ratio is set to implement control.
 - c) The volume of holding a single share and the volume of accounting for investment portfolio is limited to a certain amount in order to implement control.
 - d) The proportion of the volume of a single convertible bond issued to the volume of outstanding portfolio is limited to a certain amount in order to implement control.
- 3) Financial assets held to manage liquidity risk and maturity analysis

Financial assets held to manage liquidity risk:

The Group holds cash and cash equivalents, due from the Central Bank and banks and financial assets at FVTOCI and investments in debt instruments at amortized cost held for the purpose of managing liquidity risk, in order to perform contractual obligations when due and meet the needs of urgent fund dispatching.

Maturity analysis

Taishin Bank Consolidated

- a) Maturity analysis of non-derivative financial liabilities

Taishin Bank's non-derivative financial liabilities presented based on the residual maturities from the balance sheet date to the contract maturity date are as follows:

Type of Financial Instrument	September 30, 2024									
	1-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Over 5 Years	Total
Deposits from the Central Bank and banks	\$ 21,380,031	\$ 12,620,253	\$ 5,367,816	\$ 2,200,000	\$ 23,000	\$ -	\$ -	\$ -	\$ -	\$ 41,591,100
Non-derivative financial liabilities at FVTPL	359,013	-	-	-	-	21,549	-	-	12,742,922	13,123,484
Securities sold under repurchase agreements	51,592,703	22,471,896	5,687,254	-	-	-	-	-	-	79,751,853
Payables	26,044,810	1,888,858	672,426	9,067,942	34,781	8,121	1	-	-	37,716,939
Deposits and remittances	303,523,103	359,422,130	274,964,652	338,285,924	1,042,151,707	3,292,132	840	-	-	2,321,640,488
Bank notes payable	-	-	-	4,950,000	-	6,000,000	-	-	14,050,000	25,000,000
Lease liabilities	120,138	116,688	168,400	395,034	499,737	344,093	236,197	137,305	229,614	2,247,206
Other financial liabilities	9,629,924	11,682,226	5,716,607	6,458,873	2,535,378	8,437,609	2,357,917	669,815	75,506,395	122,994,744
Total	\$ 412,649,722	\$ 408,202,051	\$ 292,577,155	\$ 361,357,773	\$1,045,244,603	\$ 18,103,504	\$ 2,594,955	\$ 807,120	\$ 102,528,931	\$2,644,065,814

Type of Financial Instrument	December 31, 2023									
	1-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Over 5 Years	Total
Deposits from the Central Bank and banks	\$ 10,995,531	\$ 2,502,977	\$ 566,799	\$ 2,983,000	\$ 19,500	\$ 3,500	\$ -	\$ -	\$ -	\$ 17,071,307
Non-derivative financial liabilities at FVTPL	223,085	-	-	-	-	11,122	-	-	12,358,260	12,592,467
Securities sold under repurchase agreements	67,831,635	6,040,020	272,900	-	-	-	-	-	-	74,144,555
Payables	14,395,913	2,087,423	748,176	8,443,038	38,871	8,551	1	-	-	25,721,973
Deposits and remittances	255,281,062	305,454,717	230,387,934	335,854,781	997,265,364	3,540,779	1,024	-	-	2,127,785,661
Bank notes payable	-	-	3,000,000	-	4,950,000	-	6,000,000	-	-	28,000,000
Lease liabilities	326,018	248,719	170,464	199,824	228,349	489,422	347,059	164,223	263,873	2,437,951
Other financial liabilities	11,592,362	10,508,209	6,954,569	6,325,563	4,712,439	1,503,597	8,985,346	2,132,255	74,700,500	127,414,840
Total	\$ 360,645,606	\$ 326,842,065	\$ 242,100,842	\$ 353,806,206	\$1,007,214,523	\$ 5,556,971	\$ 15,333,430	\$ 2,296,478	\$ 101,372,633	\$2,415,168,754

Type of Financial Instrument	September 30, 2023									
	1-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Over 5 Years	Total
Deposits from the Central Bank and banks	\$ 8,199,619	\$ 1,808,760	\$ 3,716,700	\$ 3,007,223	\$ 13,000	\$ 23,000	\$ -	\$ -	\$ -	\$ 16,768,302
Non-derivative financial liabilities at FVTPL	301,064	-	-	-	-	-	-	122	12,989,974	13,291,160
Securities sold under repurchase agreements	64,576,142	9,439,810	12,995	-	-	-	-	-	-	74,028,947
Payables	25,028,170	1,289,744	454,113	7,587,211	34,803	8,583	-	-	-	34,402,624
Deposits and remittances	265,517,458	283,454,972	236,731,313	321,783,533	972,880,717	3,374,726	749	-	-	2,083,743,468
Bank notes payable	-	-	-	8,000,000	4,950,000	-	6,000,000	-	-	28,000,000
Lease liabilities	146,471	119,846	173,070	426,665	557,753	381,106	259,690	152,775	205,642	2,423,018
Other financial liabilities	11,159,874	9,307,784	6,285,294	10,109,012	5,700,918	2,117,726	8,749,254	2,598,413	76,205,468	132,233,743
Total	\$ 374,928,798	\$ 305,420,916	\$ 247,373,485	\$ 350,913,644	\$ 984,137,191	\$ 5,905,141	\$ 15,009,693	\$ 2,751,310	\$ 98,451,084	\$2,384,891,262

The maturity analysis of time deposits in “deposits and remittances” is allocated to each time band based on Taishin Bank’s historical experience. If all the time deposits were required to be paid off in recent period, the funds outflows in less than one-month time band would have been \$1,179,006,318 thousand, \$1,127,186,716 thousand and \$1,099,055,300 thousand as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively.

b) Maturity analysis of derivative financial liabilities

Taishin Bank disclosed amounts of derivative financial liabilities at FVTPL using fair values recognized in the earliest time band as follows:

Financial Instruments Item	September 30, 2024					
	1-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Derivative financial liabilities at FVTPL	\$ 37,520,145	\$ -	\$ -	\$ -	\$ -	\$ 37,520,145

Financial Instruments Item	December 31, 2023					
	1-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Derivative financial liabilities at FVTPL	\$ 52,174,682	\$ -	\$ -	\$ -	\$ -	\$ 52,174,682

Financial Instruments Item	September 30, 2023					
	1-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Derivative financial liabilities at FVTPL	\$ 58,865,306	\$ -	\$ -	\$ -	\$ -	\$ 58,865,306

c) Maturity analysis of off-balance sheet items

Below are the amounts of the Taishin Bank's off-balance-sheet items presented based on the residual maturities from the balance sheet date to the maturity date of irrevocable loan commitments, guarantees or letters of credit. As of September 30, 2024, December 31, 2023 and September 30, 2023, assuming that all amounts, including the amounts in the longest time band, were due in less than one-month time band, the amounts would have been \$28,831,007 thousand, \$25,480,787 thousand and \$26,055,576 thousand, respectively, for guarantees; \$3,228,503 thousand, \$4,109,692 thousand and \$3,503,823 thousand, respectively, for letters of credit; \$910,205,657 thousand, \$885,508,522 thousand and \$895,913,455 thousand, respectively, for loan commitments (excluding credit card); and \$10,495,124 thousand, \$10,624,922 thousand and \$10,443,788 thousand, respectively, for credit card commitments.

Off Balance-Sheet Item	September 30, 2024					
	1-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Guarantees	\$ 1,990,554	\$ 6,694,507	\$ 3,362,248	\$ 5,110,046	\$ 11,673,652	\$ 28,831,007
Letters of credit	1,057,353	1,634,956	524,632	-	11,562	3,228,503
Loan commitments (excluding credit cards)	5,009,502	128,614,167	158,940,304	487,542,208	130,099,476	910,205,657
Credit card commitments	782	73,301	119,440	322,617	9,978,984	10,495,124

Off Balance-Sheet Item	December 31, 2023					
	1-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Guarantees	\$ 2,379,148	\$ 5,774,056	\$ 3,830,198	\$ 3,591,371	\$ 9,906,014	\$ 25,480,787
Letters of credit	866,436	3,156,285	68,729	18,242	-	4,109,692
Loan commitments (excluding credit cards)	3,689,125	112,121,615	238,059,342	392,489,973	139,148,467	885,508,522
Credit card commitments	1,002	62,738	144,021	251,918	10,165,243	10,624,922

Off Balance-Sheet Item	September 30, 2023					
	1-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Guarantees	\$ 3,031,412	\$ 6,596,460	\$ 3,814,957	\$ 3,815,691	\$ 8,797,056	\$ 26,055,576
Letters of credit	1,191,887	1,771,067	530,355	10,514	-	3,503,823
Loan commitments (excluding credit cards)	1,715,588	153,398,353	146,931,466	464,528,030	129,340,018	895,913,455
Credit card commitments	362	84,652	119,798	293,474	9,945,502	10,443,788

Taishin Life Insurance

For information regarding maturity analysis, refer to the descriptions of f. insurance risk and g. financial risk.

Taishin Securities B Consolidated

a) Maturity analysis of non-derivative financial liabilities

Taishin Securities B's non-derivative financial liabilities presented based on the residual maturities from the balance sheet date to the contract maturity date are as follows:

Financial Instruments Item	September 30, 2024					
	6 Months	6 Months - 1 Year	1 Year - 3 Years	3 Years - 5 Years	Over 5 Years	Total
Non-derivative financial liabilities at FVTPL	\$ 1,072,564	\$ -	\$ -	\$ -	\$ -	\$ 1,072,564
Short-term loans	710,000	-	-	-	-	710,000
Commercial papers issued	22,740,000	-	-	-	-	22,740,000
Bonds sold under repurchase agreements	8,807,238	-	-	-	-	8,807,238
Deposits on short sales	734,101	-	-	-	-	734,101
Financing guarantees payable	853,591	-	-	-	-	853,591
Futures traders' equity	3,938,157	-	-	-	-	3,938,157
Notes payable and accounts payable	12,784,895	-	-	-	-	12,784,895
Other payables	775,513	64,053	95,660	89,100	44,550	1,068,876
Other current liabilities	2,371,440	-	-	-	-	2,371,440
Lease liabilities	35,287	31,609	106,979	36,231	-	210,106
Bonds payable	-	-	-	-	3,300,000	3,300,000
Guarantee deposits	-	327	752	-	-	1,079
Total	\$ 54,822,786	\$ 95,989	\$ 203,391	\$ 125,331	\$ 3,344,550	\$ 58,592,047

Financial Instruments Item	December 31, 2023					
	6 Months	6 Months - 1 Year	1 Year - 3 Years	3 Years - 5 Years	Over 5 Years	Total
Non-derivative financial liabilities at FVTPL	\$ 5,201,530	\$ -	\$ -	\$ -	\$ -	\$ 5,201,530
Short-term loans	450,000	-	-	-	-	450,000
Commercial papers issued	11,888,000	-	-	-	-	11,888,000
Bonds sold under repurchase agreements	11,764,432	-	-	-	-	11,764,432
Deposits on short sales	856,828	-	-	-	-	856,828
Financing guarantees payable	929,965	-	-	-	-	929,965
Futures traders' equity	2,276,298	-	-	-	-	2,276,298
Notes payable and accounts payable	8,350,087	-	-	-	-	8,350,087
Other payables	779,386	10,179	96,773	89,100	89,100	1,064,538
Other current liabilities	343,534	-	-	-	-	343,534
Lease liabilities	27,401	24,948	71,868	29,494	-	153,711
Bonds payable	-	-	-	-	3,300,000	3,300,000
Guarantee deposits	-	75	164	589	-	828
Total	\$ 42,867,461	\$ 35,202	\$ 168,805	\$ 119,183	\$ 3,389,100	\$ 46,579,751

Financial Instruments Item	September 30, 2023					
	6 Months	6 Months - 1 Year	1 Year - 3 Years	3 Years - 5 Years	Over 5 Years	Total
Non-derivative financial liabilities at FVTPL	\$ 2,525,426	\$ -	\$ -	\$ -	\$ -	\$ 2,525,426
Commercial papers issued	12,048,000	-	-	-	-	12,048,000
Bonds sold under repurchase agreements	11,294,656	-	-	-	-	11,294,656
Deposits on short sales	863,179	-	-	-	-	863,179
Financing guarantees payable	950,722	-	-	-	-	950,722
Futures traders' equity	1,966,783	-	-	-	-	1,966,783
Notes payable and accounts payable	6,120,415	185	-	-	-	6,120,600
Other payables	623,602	52,961	94,887	89,100	89,100	949,650
Other current liabilities	115,298	-	-	-	-	115,298
Lease liabilities	31,245	25,471	74,666	35,071	-	166,453
Bonds payable	-	-	-	-	3,300,000	3,300,000
Guarantee deposits	-	-	238	589	-	827
Total	\$ 36,539,326	\$ 78,617	\$ 169,791	\$ 124,760	\$ 3,389,100	\$ 40,301,594

b) Maturity analysis of derivative financial liabilities

Taishin Securities B disclosed amounts of derivative financial liabilities at FVTPL using fair values recognized in the earliest time band as follows:

Financial Instruments Item	September 30, 2024					Total
	6 Months	6 Months - 1 Year	1 Year - 3 Years	3 Years - 5 Years	Over 5 Years	
Derivative financial liabilities at FVTPL	\$ 4,928,611	\$ -	\$ -	\$ -	\$ -	\$ 4,928,611

Financial Instruments Item	December 31, 2023					Total
	6 Months	6 Months - 1 Year	1 Year - 3 Years	3 Years - 5 Years	Over 5 Years	
Derivative financial liabilities at FVTPL	\$ 4,836,703	\$ -	\$ -	\$ -	\$ -	\$ 4,836,703

Financial Instruments Item	September 30, 2023					Total
	6 Months	6 Months - 1 Year	1 Year - 3 Years	3 Years - 5 Years	Over 5 Years	
Derivative financial liabilities at FVTPL	\$ 4,648,686	\$ -	\$ -	\$ -	\$ -	\$ 4,648,686

f. Insurance risk

1) Measurement and management of insurance risk

Insurance risks refer to insufficient estimates of the frequency, severity and lapse rate of the insured incidents, such as death rate, morbidity rate, lapse rate, interest rate, expense rate and so on. These ratios could be influenced by random variable risks and therefore lead to the risk of additional payments exceeding the original estimated values. Taishin Life Insurance engages in the business of life insurance (including variable universal life insurance), accident insurance, and health insurance. In addition, Taishin Life Insurance sells variable universal life insurance and variable annuities (investment-linked products). The risks and management for the above products are as follows:

a) Variable universal life

The main risk of life insurance is the death rate. Taishin Life Insurance assesses the rationality of pricing according to the premium rate of main insurance product on the market and makes related statistical measurements and analyses of the death rate, such as an experience test. In order to decide whether to stop selling products or adjust the rate, inspections are used to determine whether the death rate is higher than the pricing basis, affecting the profitability of products.

b) Variable annuity

Taishin Life Insurance takes no insurance risks as the variable annuity policy is in the annuity accumulation and annuity certain phase. The main risk is the longevity risk after a certain annuity phase. The variable annuity policy of Taishin Life Insurance is mainly in the annuity accumulation or annuity certain phase; therefore, only limited insurance risks are currently covered.

c) Long-term life non par insurance

The main risk of life insurance comprises the death rate and the interest rate. The explanation of death rate risks shall be the same as for life insurance. For interest risks, the interest rates of long-term contracts were all locked in before sales in compliance with regulation. If there is an objective gap of fluctuation between the long-term interest rate and the estimated policy interest rate, and the investment income fails to reach the promised policy interest rate, Taishin Life Insurance will then face a problem of negative spread. Therefore, Taishin Life Insurance evaluates the investment income in various committees on a regular basis to further evaluate the investment portfolio, insurance combination and (or) preset interest rates to mitigate the risks of negative spread.

d) Accident insurance and health insurance

The main risks of accident insurance and health insurance comprise the occurrence of accident rate and the morbidity rate. Taishin Life Insurance tracks the loss rate of each insurance type, assesses the rationality of pricing according to the premium rate of the main insurance product on the market, and makes related statistical measurements of the death rate, such as an experience test, in order to determine whether or not to cease the sale of the product and adjust the premium rate of the product. For the long-term morbidity claims of health insurance, Taishin Life Insurance also arranges reinsurance to mitigate the overall potential risk of loss from claims in the future.

2) Insurance risk concentration

While it indicates no specific concentration over any specific location or target client with regard to the insurances covered by Taishin Life Insurance, reinsurance arrangement is still made after assessment in order to mitigate the covered insurance risks and avoid the overall cumulative risks exceeding Taishin Life Insurance's risk capacity. Additionally, through catastrophe reinsurance, Taishin Life Insurance transfers concentrated risks of death to highly secure reinsurance companies to further mitigate the risks of large claims and catastrophe claims.

3) Sensitivity analysis of insurance risk

According to the relevant insurance regulation, the assumption factors adopted have been locked-in during pricing. However, the assumption may vary from the actual experience. Pursuant to IFRS 4, "Insurance contracts", Taishin Life Insurance should perform liability adequacy test accordingly to determine whether or not the recognized insurance liability is appropriate. In respect of overall insurance contracts of Taishin Life Insurance as of September 30, 2024, December 31, 2023 and September 30, 2023, the liabilities will still be adequate even when the mortality, morbidity, and lapse rates changed by 10%, and discount rates changed by 10bps.

4) Claims development trend

a) Claims development of direct business

Accident Year	Development Year					Loss Reserve
	1	2	3	4	5	
2020	8,121,993	9,299,586	9,372,420	9,386,330	9,387,316	-
2021	860,952	1,013,085	1,026,344	1,028,273	1,028,377	104
2022	1,014,119	1,201,108	1,212,376	1,214,287	1,214,408	2,032
2023	1,198,439	1,396,817	1,410,868	1,413,103	1,413,240	16,423
2024 Q3	1,289,006	1,503,057	1,518,484	1,520,894	1,521,051	232,045
			Loss reserve for unreported and unpaid claims			\$ 250,604
			Add: Reported but unpaid claims			<u>1,661,658</u>
			Loss reserve, balance			<u>\$ 1,912,262</u>

b) Claims development of retained business

Accident Year	Development Year					Loss Reserve
	1	2	3	4	5	
2020	7,987,325	9,163,118	9,235,602	9,249,512	9,250,498	-
2021	859,961	1,012,095	1,025,354	1,027,283	1,027,387	104
2022	1,009,557	1,196,546	1,207,814	1,209,724	1,209,846	2,032
2023	1,197,588	1,395,965	1,410,017	1,412,251	1,412,387	16,422
2024 Q3	1,287,530	1,501,576	1,517,002	1,519,412	1,519,569	232,039
			Loss reserve for unreported and unpaid claims			\$ 250,597
			Add: Reported but unpaid claims			<u>1,581,218</u>
			Loss reserve, balance			<u>\$ 1,831,815</u>

Taishin Life Insurance provided loss reserve, whether or not it is reported, for projected future payments and related costs. The provision for reserves is highly complicated since there are many uncertain causes, estimation and judgment. Any change in an estimate or judgment is treated as a change in accounting estimates, and the impact of such changes is included in profit or loss for the period. Some claim reports may be delayed to Taishin Life Insurance, and the estimation is related to past claim experiences and subjective judgment when estimating possible payments for the claims not yet reported. The loss reserve per book is estimated on the basis of available information at present. However, the actual payments will deviate from original estimation as the claim goes on.

The above tables show the claims development (excluding the claims whose payment amount and payment date have already been known in one year). Every accident year means the year the accident happens, the horizontal axis is the year of development, and every amount is the cumulative payment incurring for every accident year at the end of the year. The cumulative payments include the claims whether or not it is sure to happen, and illustrate how Taishin Life Insurance estimates payments for every accident year as time passes. The conditions and trends that influence Taishin Life Insurance's reserve provision may not be the same when claims develop. Therefore, the projected payments cannot be determined based on the claims development in the above table.

5) Credit risk, liquidity risk, and market risk of insurance contracts

a) Credit risk

Credit risk primarily refer to the risk of a reinsurer's failure to fulfill its obligations on the ceded business, which leads to its inability to share its stake of the premiums, claims and other expenses. To manage this risk, the reinsurers will be selected prudently in accordance with the reinsurance risk management plan as set by Taishin Life Insurance. To mitigate the credit risk, the reinsurance agreement will require that reinsurance fees shall be paid on a net basis by deducting any receivables or share of payments recoverable from the reinsurer. In addition, Taishin Life Insurance will demand the inclusion of a special termination clause in the reinsurance agreement, allowing Taishin Life Insurance to terminate the agreement in the circumstances that the reinsurer defaults on its obligations to limit further credit risk.

After ceding the business, Taishin Life Insurance will review the credit rating of the reinsurers regularly in accordance with its reinsurance risk management plan. In the event of a credit rating downgrade of a reinsurer leading to its failure to meet the minimum requirement of being an eligible reinsurer as stipulated by the "Regulations Governing Insurance Enterprises Engaging in Operating Reinsurance and Other Risk Spreading Mechanisms", the company will establish a reinsurance reserve as required to mitigate the adverse impacts from the downgraded reinsurer.

Currently, the credit ratings of all reinsurance counterparties of Taishin Life Insurance have met the eligibility standards as stipulated by the regulations.

b) Liquidity risk

The liquidity risk of the insurance contract arises mainly from the company's failure to realize the assets or to obtain sufficient funding in time to fulfill its obligations on insurance benefits payment. To manage the risk, Taishin Life Insurance regularly conducts maturity analysis on the insurance contracts and reviews the matching of assets and liabilities.

The table below shows the net liability cash flow analysis on the insurance portfolio of Taishin Life Insurance by estimated time point. The figures reflect, for the in-force policies as at the valuation date, the estimation of undiscounted total insurance benefit payments, expense and other outflows, net of insurance premiums and other income at each future time point. The future actual amounts may vary as the actual experience may be different from the expected amounts.

Net cash flows used in (provided by) the insurance contracts:

	September 30, 2024	December 31, 2023	September 30, 2023
Within one year	\$ (16,569,954)	\$ (11,208,800)	\$ (10,568,962)
One to five years	(22,514,548)	(16,066,293)	(14,638,224)
Five to fifteen years	85,286,344	69,905,185	62,696,659
Over fifteen years	<u>564,738,439</u>	<u>541,805,498</u>	<u>511,106,132</u>
	<u>\$ 610,940,281</u>	<u>\$ 584,435,590</u>	<u>\$ 548,595,605</u>

Taishin Life Insurance has insurance contracts that are classified as investment-linked product liabilities. However, such liabilities are repaid based on investment linked product assets. Therefore, Taishin Life Insurance has no significant liquidity risk.

c) Market risk

Pursuant to the "Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises" and relevant regulations, Taishin Life Insurance calculates and sets aside statutory reserves in accordance with assumed interest rate and incidence rate regulated by the supervisors. As the assumed interest rate is predetermined as at policy issuance, the statutory reserves will not change with market interest rate fluctuations. The regulator will regularly review the discount rate assumption, which however may not necessarily correspond to the market interest rate in terms of time, amount, or direction, and it is only applicable to the new policies. Therefore, the impact of probable changes in market interest rate on the statutory reserves of Taishin Life Insurance's in-force insurance policies is negligible. In case the regulator changes the discount rate assumption, its impact on profit/loss or equity will vary depending on the range of the change and Taishin Life Insurance's overall product mix. Furthermore, variations in market risks may affect the liability adequacy test, which is estimated based on the current information as of the valuation date, and further affect the adequacy of recognized insurance liabilities. Please refer to the insurance risk sensitivity analysis for the impact of market risk factors on the current liability adequacy of Taishin Life Insurance.

g. Financial risk

Except for derivative financial instruments, Taishin Life Insurance holds financial assets including cash and cash equivalents, various current and non-current investments, and loans. Taishin Life Insurance's operating cash flow and operating reserves are backed by such financial instruments. Taishin Life Insurance also carries some other financial assets and liabilities such as notes receivable, claims payable, and other receivables and payables from operating activities. Taishin Life Insurance's derivative instrument trading policies is only for hedging purposes, and not for profit.

Taishin Life Insurance has written risk management policies and risk control procedures, which have been approved by the board of directors or appropriate approval levels, to effectively identify, measure, monitor and control market risk, credit risk, liquidity risk and climate risk.

1) Market risks

Taishin Life Insurance's domestic and foreign investments are exposed to market risks, and potential losses resulting from market risks could be partly mitigated through foreign exchange hedge and investment diversification. To avoid potential losses from variations in the market prices of held financial instruments (e.g. interest rates, exchange rates, share price, commodity price, and credit spread), Taishin Life Insurance continuously uses market risk management methods such as Market VaR and stress testing, along with implementation of risk limits and completely effective measurement and control over the market risk.

a) Exchange rate risks

Exchange rate risk refers to the risk of changes in fair value or future cash flows of financial instruments as a result of variations in exchange rates.

i. Taishin Life Insurance's businesses involve some non-functional currency operations. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	<u>September 30, 2024</u>		<u>December 31, 2023</u>		<u>September 30, 2023</u>	
	<u>Foreign Currency Amount</u>	<u>Exchange Rate</u>	<u>Foreign Currency Amount</u>	<u>Exchange Rate</u>	<u>Foreign Currency Amount</u>	<u>Exchange Rate</u>
<u>Assets</u>						
U.S. dollars	\$ 4,258,199	31.67	\$ 3,678,414	30.71	\$ 3,593,041	32.28
<u>Liabilities</u>						
U.S. dollars	2,680,044	31.67	2,273,295	30.71	2,193,031	32.28

- ii. Sensitivity analysis of exchange rate risks provided in the table below is performed for reasonably possible changes in exchange rates with other conditions held constant for monetary financial assets, showing the impact on pre-tax income. The correlation of variables will have effect on determining the ultimate impact on market risk, but to demonstrate the impact due to changes in variables, Taishin Life Insurance assumes that variables have to be changed on an individual basis. Measurement basis for foreign exchange risk will exclude the investment position and derivative instruments for financial hedging denominated in foreign currency corresponding with foreign currency insurance policy.

	For the Nine Months Ended September 30, 2024	
	Changes in Variables	Changes in Pre-tax Income
U.S. dollars	-5%	\$ (1,010,519)

	For the Nine Months Ended September 30, 2023	
	Changes in Variables	Changes in Pre-tax Income
U.S. dollars	-5%	\$ (855,543)

b) Interest rate risks

Interest rate risk refers to the risk of changes in value of financial instruments as a result of variations in the market interest rates. Taishin Life Insurance's bond investments under financial assets at amortized cost are all investments in fixed coupon rate bond, therefore variations in the market interest rates will result in changes in the fair value of bond investments. An increase in market interest rates will cause the fair value of bond investments to fall. As Taishin Life Insurance's primary investment strategy is to pursue stable and predictable long-term earnings when investing in bonds under financial assets at amortized cost, short-term market interest rate fluctuations have less impact on Taishin Life Insurance's investments. Therefore, significant interest rate risk is unlikely to happen based on Taishin Life Insurance's expectation. Additionally, significant interest rate risk is likely to happen mainly due to the financial assets at FVTPL - beneficiary securities. Sensitivity analysis of interest rate risk is as follows:

	For the Nine Months Ended September 30, 2024	
	Changes in Variables	Changes in Unrealized (Loss) Gain
Financial assets at FVTPL - beneficiary securities	Interest rate increase of 20 bps	\$ (292)

	For the Nine Months Ended September 30, 2023	
	Changes in Variables	Changes in Unrealized (Loss) Gain
Financial assets at FVTPL - beneficiary securities	Interest rate increase of 20 bps	\$ (708)

c) Other price risk

Price risk mainly arises from volatility of equity instruments held by the company. However, Taishin Life Insurance has set up stop-loss mechanism and dispersed the price risk through properly diversified investment portfolio to mitigate risk of concentrated investment in any specific industry or issuers.

Sensitivity analysis of price risk provided in the table below is performed for reasonably possible movement in price with other conditions held constant, the impact on pre-tax income and equity are as follows:

	For the Nine Months Ended September 30, 2024		
	Changes in Variables	Changes in Pre-tax Income	Changes in Other Comprehensive Income (Before Tax)
Financial assets at FVTPL	Price increase of 10%	\$ -	\$ 3,050,005
Financial assets at FVTOCI	Price increase of 10%	-	4,064
	For the Nine Months Ended September 30, 2023		
	Changes in Variables	Changes in Pre-tax Income	Changes in Other Comprehensive Income (Before Tax)
Financial assets at FVTPL	Price increase of 10%	\$ -	\$ 2,708,637
Financial assets at FVTOCI	Price increase of 10%	-	4,359

If the variables adopted in aforesaid sensitivity analysis of market risk move in opposite direction, variations in profit/loss and equity will also move in reverse.

2) Credit risk

Credit risk refers to the risk that a party incurs from the inability of a counterparty or issuer of a financial instrument to fulfill its obligations.

- a) Taishin Life Insurance shall measure expected credit losses of a financial instrument in a way that reflects:
- i. An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
 - ii. The time value of money; and
 - iii. Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.
- b) When measuring expected credit losses, Taishin Life Insurance considered the risk or probability that a credit loss occurs, and the maximum period to consider is the maximum contractual period over which the entity is exposed to credit risk.

- c) Taishin Life Insurance financial assets impairment policy adopted assumptions provided by IFRS 9 as indicators to determine whether there will be a significant increase in credit risk of a financial instrument since initial recognition.
- i. The rating is Investment Grade (credit rating over BBB-) on the initial recognition date and the rating is downgraded to Non-Investment Grade (credit rating below BB+ excluding credit rating below CC) on the measurement date.
 - ii. The rating is BB+ to BB- on the initial recognition date, and the rating is downgraded to B+ to CCC- on the measurement date.
 - iii. The rating is B+ to CCC+ on the initial recognition date.
 - iv. When contractual payments of receivables were more than 30 days past due or not past due but violated contract agreement, the scenario will be treated as a significant increase in credit risk since initial recognition;
 - v. When statutory deposits matured but not collected after 30 days, it is considered as a significant increase in credit risk unless there was a specific exception clause;
 - vi. When the total of loan principal and interest exceeds the policy value reserve but the policy is still within the grace period, it is considered as a significant increase in credit risk.

Investments are considered to have been defaulted if the rating is CC to D on the measurement date. The definition of default includes the issuer's inability to repay principal or interest on the maturity date. Before the maturity of bonds and securities, it can be objectively determined if the issuer cannot repay the principal and interest on time. Before the maturity of bonds and securities, the issuer may have suffered bankruptcy, or has undergone restructuring or has been taken over due to financial difficulties, or has a high probability of bankruptcy or another financial restructuring.

In order to assess the purpose of the ECLs, debt instruments were assessed by grade separately based on their credit rating. In order to measure the ECLs, the PD, LGD and EAD for the next 12 months and over the full lifetime of the debt instrument issuers, and the impact of the time value of money shall be considered to calculate 12-month and full-lifetime ECLs separately.

Taishin Life Insurance assesses the EAD of investments in debt instruments using the current exposure method (CEM) and adopts external rating information announced by international credit rating agencies (S&P and Moody's), and PD and LGD information are announced periodically to calculate the ECLs. As international credit rating agencies already consider the prospective information when assessing credit rating, it is appropriate to assess such information and then include it in the assessment of the related ECLs of Taishin Life Insurance.

- d) Taishin Life Insurance adopted assumptions provided by IFRS 9 as an indicator to determine that there will be a default occurring if contractual payments of receivables were more than 90 days past due. As the total of loan principal and interest exceeds the policy value reserve and policy is suspended over the grace period, it is considered as a default.
- e) Taishin Life Insurance will make a reserve for the amounts of financial instrument considered as uncollectible after completing legal process to secure the right of collection.

- f) Investments in debt instruments at amortized cost and bond interest receivable under accounts receivable held by Taishin Life Insurance on September 30, 2024, December 31, 2023 and September 30, 2023, the credit risk rating levels are presented below:

	September 30, 2024			
	Lifetime			
	12 Months	Increase in Credit Risk	Credit Impaired	Total
AAA	\$ 3,947,819	\$ -	\$ -	\$ 3,947,819
AA	102,624,360	-	-	102,624,360
A-BBB	<u>101,245,806</u>	<u>-</u>	<u>-</u>	<u>101,245,806</u>
	<u>\$ 207,817,985</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 207,817,985</u>
	December 31, 2023			
	Lifetime			
	12 Months	Increase in Credit Risk	Credit Impaired	Total
AAA	\$ 4,850,484	\$ -	\$ -	\$ 4,850,484
AA	100,606,972	-	-	100,606,972
A-BBB	<u>85,034,570</u>	<u>-</u>	<u>-</u>	<u>85,034,570</u>
	<u>\$ 190,492,026</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 190,492,026</u>
	September 30, 2023			
	Lifetime			
	12 Months	Increase in Credit Risk	Credit Impaired	Total
AAA	\$ 5,211,514	\$ -	\$ -	\$ 5,211,514
AA	101,115,074	-	-	101,115,074
A-BBB	<u>86,953,703</u>	<u>-</u>	<u>-</u>	<u>86,953,703</u>
	<u>\$ 193,280,291</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 193,280,291</u>

- g) Taishin Life Insurance uses forecast to assess the default possibility of debt instruments and bond interest receivables and to estimate the expected credit loss on September 30, 2024, December 31, 2023 and September 30, 2023. Credit loss information is as follows:

	September 30, 2024			
	Lifetime			
	12 Months	Increase in Credit risk	Credit Impaired	Total
Expected credit loss rate	0.00%-0.12%			
Carrying amount	<u>\$ 207,817,985</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 207,817,985</u>
Loss allowance	<u>\$ 46,069</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,069</u>
	December 31, 2023			
	Lifetime			
	12 Months	Increase in Credit risk	Credit Impaired	Total
Expected credit loss rate	0.00%-0.20%			
Carrying amount	<u>\$ 190,492,026</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 190,492,026</u>
Loss allowance	<u>\$ 24,824</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,824</u>

	September 30, 2023			
	Lifetime			
	12 Months	Increase in Credit risk	Credit Impaired	Total
Expected credit loss rate	0.00%-0.13%			
Carrying amount	<u>\$ 193,280,291</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 193,280,291</u>
Loss allowance	<u>\$ 26,927</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,927</u>

Movements in loss allowance for investments in debt instruments carried at amortised costs are as follows:

	2024			
	Lifetime			
	12 Months	Increase in Credit Risk	Credit Impaired	Total
At January 1	\$ 24,466	\$ -	\$ -	\$ 24,466
Provision for impairment	21,792	-	-	21,792
Derecognized	<u>(835)</u>	<u>-</u>	<u>-</u>	<u>(835)</u>
At September 30	<u>\$ 45,423</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,423</u>

	2023			
	Lifetime			
	12 Months	Increase in Credit Risk	Credit Impaired	Total
At January 1	\$ 28,536	\$ -	\$ -	\$ 28,536
Provision for impairment	(1,677)	-	-	(1,677)
Derecognized	<u>(275)</u>	<u>-</u>	<u>-</u>	<u>(275)</u>
At September 30	<u>\$ 26,584</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,584</u>

Movements in loss allowance for bond interest receivables are as follows:

	2024			
	Lifetime			
	12 Months	Increase in Credit Risk	Credit Impaired	Total
At January 1	\$ 358	\$ -	\$ -	\$ 358
Provision for impairment	297	-	-	297
Derecognized	<u>(9)</u>	<u>-</u>	<u>-</u>	<u>(9)</u>
At September 30	<u>\$ 646</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 646</u>

	2023			
	12 Months	Lifetime		Total
		Increase in Credit Risk	Credit Impaired	
At January 1	\$ 312	\$ -	\$ -	\$ 312
Provision for impairment	35	-	-	35
Derecognized	<u>(4)</u>	<u>-</u>	<u>-</u>	<u>(4)</u>
At September 30	<u>\$ 343</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 343</u>

- h) Taishin Life Insurance uses historical data from a specific previous period and current data to forecast macroeconomic information and to assess the expected credit loss of loans (including loans interest receivable). As of September 30, 2024, December 31, 2023 and September 30, 2023, credit loss information of loans (including loans interest receivable) is as follows:

	September 30, 2024			
	12 Months	Lifetime		Total
		Increase in Credit Risk	Credit Impaired	
Expected credit loss rate	0%	0%-36%	0%-100%	
Carrying amount	<u>\$ 8,365,183</u>	<u>\$ 6,182</u>	<u>\$ 29,010</u>	<u>\$ 8,400,375</u>
Loss allowance	<u>\$ -</u>	<u>\$ 357</u>	<u>\$ 1,817</u>	<u>\$ 2,174</u>

	December 31, 2023			
	12 Months	Lifetime		Total
		Increase in Credit Risk	Credit Impaired	
Expected credit loss rate	0%	0%-39%	0%-100%	
Carrying amount	<u>\$ 8,046,980</u>	<u>\$ 5,124</u>	<u>\$ 51,934</u>	<u>\$ 8,104,038</u>
Loss allowance	<u>\$ -</u>	<u>\$ 212</u>	<u>\$ 2,828</u>	<u>\$ 3,040</u>

	September 30, 2023			
	12 Months	Lifetime		Total
		Increase in Credit Risk	Credit Impaired	
Expected credit loss rate	0%	0%-39%	0%-100%	
Carrying amount	<u>\$ 7,814,608</u>	<u>\$ 9,626</u>	<u>\$ 56,552</u>	<u>\$ 7,880,786</u>
Loss allowance	<u>\$ -</u>	<u>\$ 203</u>	<u>\$ 3,432</u>	<u>\$ 3,635</u>

Movements in loss allowance for loans are as follows:

	2024			
	12 Months	Lifetime		Total
		Increase in Credit Risk	Credit Impaired	
At January 1	\$ -	\$ 212	\$ 2,828	\$ 3,040
Transferred to 12-month ECLs	-	(12)	12	-
Provision for expected credit loss (gain)	-	158	(49)	109
Write-off	-	-	(939)	(939)
Derecognized	-	(1)	(35)	(36)
At September 30	<u>\$ -</u>	<u>\$ 357</u>	<u>\$ 1,817</u>	<u>\$ 2,174</u>
	2023			
	12 Months	Lifetime		Total
		Increase in Credit Risk	Credit Impaired	
At January 1	\$ -	\$ 413	\$ 3,471	\$ 3,884
Transferred to 12-month ECLs	-	(79)	79	-
Provision for expected credit loss (gain)	-	(116)	(44)	(160)
Write-off	-	-	(45)	(45)
Derecognized	-	(15)	(29)	(44)
At September 30	<u>\$ -</u>	<u>\$ 203</u>	<u>\$ 3,432</u>	<u>\$ 3,635</u>

- i) As of September 30, 2024, December 31, 2023 and September 30, 2023, Taishin Life Insurance has assessed the impairment losses of accounts receivable (excluding bond interest receivable and loans interest receivable) and other assets (excluding prepayments and statutory deposits), with total carrying amount of \$406,438 thousand, \$438,654 thousand and \$462,319 thousand, respectively, and not being past due. Taishin Life Insurance used historical and timely information to forecast and estimate the expected credit loss. Credit risks are evaluated as significantly low, thus no impairment loss was recognized.

- j) Analysis of credit risk concentration

The credit risks are deemed significantly concentrated when the financial instrument transactions significantly concentrate on a single person, or when there are multiple trading counterparties engaging in similar business activities with similar economic characteristics, and such business activities make their abilities to fulfill the contractual obligations influenced similarly by economy or other forces.

The credit risks of Taishin Life Insurance concentrate on assets, liabilities, or off-statements of financial position items that occurs through fulfillment or implementation of transactions (either product or service), or through transaction-type exposure portfolio, including deposits, securities investment, and receivables. Taishin Life Insurance does not carry out significant transactions with single client or single counterparty. Proportion of total transactions with single client or single counterparty to Taishin Life Insurance's relevant transactions is deemed immaterial.

As of September 30, 2024, December 31, 2023 and September 30, 2023, Taishin Life Insurance's investments in domestic government bonds, American government bonds, mortgage-backed securities (MBS) supported by the government and equivalent international investment institutions accounted for 32.86%, 37.49% and 37.03%, respectively, of the total investment asset positions.

3) Liquidity risks

Liquidity risks include components of fund liquidity risk and market liquidity risk. Fund liquidity risk happens when an entity is unable to use reasonable capital cost to obtain necessary and sufficient fund supply in a reasonable period of time leading to a risk of fund supply and demand gap, or when an entity has to sell its asset at a price that is lower than the current market price in order to obtain necessary fund supply leading to liquidity risk of losses. Taishin Life Insurance's working capital is sufficient for daily operations, therefore there is no liquidity risk regarding inability to raise fund for meeting contractual obligations. Taishin Life Insurance's investments are mostly investments in shares with active market. Thus, financial assets are expected to be sold in the market at prices approximate to their fair values. To ensure the fund is sufficient to settle the liabilities that are due or meet the demand for increase in assets, Taishin Life Insurance mainly takes advantage of financial instruments such as deposits with financial institutions, short term bills and bonds (including bills and bonds under repurchase or resell agreements), and equity fund to adjust funds. For the purpose of ensuring accuracy and effectiveness of liquidity risk management, Taishin Life Insurance conducts cash flow analysis, including estimating annual and monthly net cash inflow (outflow) according to the annual operating revenue and expense plan and making a table for cash flow estimation on a daily basis. Additionally, revenues and expenses are reviewed in accordance with fund adjustment procedures as a basis for fund procurement in order to cope with needs for various fund liquidity.

The table below is Taishin Life Insurance's non-derivative financial liabilities categorized into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date:

September 30, 2024

	Within 1 Year	1-2 Years	2-5 Years	Over 5 Years
Payables	\$ 2,549,750	\$ 4,776	\$ -	\$ -
Lease liabilities	21,489	13,421	3,350	-
Other liabilities	<u>24,459</u>	<u>-</u>	<u>8,570</u>	<u>67,010</u>
	<u>\$ 2,595,698</u>	<u>\$ 18,197</u>	<u>\$ 11,920</u>	<u>\$ 67,010</u>

December 31, 2023

	Within 1 Year	1-2 Years	2-5 Years	Over 5 Years
Payables	\$ 1,482,475	\$ 13,500	\$ -	\$ -
Lease liabilities	41,622	1,990	-	-
Other liabilities	<u>3,793</u>	<u>1,534</u>	<u>5,711</u>	<u>6,700</u>
	<u>\$ 1,527,890</u>	<u>\$ 17,024</u>	<u>\$ 5,711</u>	<u>\$ 6,700</u>

September 30, 2023

	Within 1 Year	1-2 Years	2-5 Years	Over 5 Years
Payables	\$ 1,933,298	\$ 10,350	\$ -	\$ -
Lease liabilities	50,429	7,397	-	-
Other liabilities	<u>158</u>	<u>1,564</u>	<u>-</u>	<u>12,410</u>
	<u>\$ 1,983,885</u>	<u>\$ 19,311</u>	<u>\$ -</u>	<u>\$ 12,410</u>

h. Climate risks

Climate risk refers to the physical risks caused by climate change, including immediate and long-term risks such as flooding, heavy rain or persistent high temperatures, as well as transition risks to achieve a low-carbon economy, including regulatory and policy risks, technology risks, consumer preference/market supply and demand imbalance risks, and reputational risks. Climate-related risks are not an independent type of risk but will directly or indirectly exacerbate the impact of existing risks such as credit risk, market risk, operational risk and liquidity risk through the economic environment and the various businesses undertaken by the subsidiary. Therefore, the Group's climate change risk management is based on its own business content, identifying how climate-related entity risks and transition risks exacerbate the risks of the traditional financial industry, assessing the impact on its own operations, investment and financing and other business activities, and finally identifying material climate change risks and formulating response strategies.

Structured Entities

The Group holds interests in structured entities which are not consolidated in the Group's consolidated financial statements and the Group does not provide financial support or other support to these structured entities. The maximum exposure to these structured entities is the carrying amount of the related assets held by the Group. The information of these unconsolidated structured entities is disclosed as follows:

<u>Type of Structured Entity</u>	<u>Nature and Purpose</u>	<u>Interests Owned</u>
Financing secured bonds	The risks and rewards related to the structured entities' assets transferred to investors to receive returns through bonds issued	Investment in financing secured bonds issued by the entities
Real estate-backed securities	The risks and rewards related to the structured entities' assets transferred to investors to receive returns through bonds issued	Investment in real estate-backed securities issued by the entities
Private equity fund	Invest in private funds issued by external third-party fund companies to obtain investment benefits	Invest in units issued or limited partnership equity by the fund

As of September 30, 2024, December 31, 2023 and September 30, 2023, the carrying amounts related to the interests in unconsolidated structured entities are disclosed as follows:

	September 30, 2024			
	Financing Secured Bonds	Real Estate-backed Securities	Private Equity Fund	Total
Financial assets at FVTPL	\$ 142,099	\$ -	\$ 405,584	\$ 547,683
Financial assets at FVTOCI	-	1,007,448	-	1,007,448
Investments in debt instruments at amortized cost	<u>-</u>	<u>34,392,033</u>	<u>-</u>	<u>34,392,033</u>
Net ending balance	<u>\$ 142,099</u>	<u>\$ 35,399,481</u>	<u>\$ 405,584</u>	<u>\$ 35,947,164</u>
	December 31, 2023			
	Financing Secured Bonds	Real Estate-backed Securities	Private Equity Fund	Total
Financial assets at FVTPL	\$ 175,577	\$ -	\$ 400,435	\$ 576,012
Financial assets at FVTOCI	-	1,007,163	-	1,007,163
Investments in debt instruments at amortized cost	<u>-</u>	<u>25,250,431</u>	<u>-</u>	<u>25,250,431</u>
Net ending balance	<u>\$ 175,577</u>	<u>\$ 26,257,594</u>	<u>\$ 400,435</u>	<u>\$ 26,833,606</u>
	September 30, 2023			
	Financing Secured Bonds	Real Estate-backed Securities	Private Equity Fund	Total
Financial assets at FVTPL	\$ 198,289	\$ -	\$ 287,049	\$ 485,338
Financial assets at FVTOCI	-	1,034,800	-	1,034,800
Investments in debt instruments at amortized cost	<u>-</u>	<u>26,643,199</u>	<u>-</u>	<u>26,643,199</u>
Net ending balance	<u>\$ 198,289</u>	<u>\$ 27,677,999</u>	<u>\$ 287,049</u>	<u>\$ 28,163,337</u>

47. RELATED-PARTY TRANSACTIONS

a. Names and relationships of related parties were as follows:

Name	Relationship
Taishin Bank	Subsidiary
Taishin AMC	Subsidiary
Taishin Venture Capital Investment	Subsidiary
Taishin Securities B	Subsidiary
Taishin Securities Investment Trust	Subsidiary
Taishin Securities Investment Advisory	Subsidiary
Taishin Life Insurance	Subsidiary
Taishin D.A. Finance	Second-tier subsidiary
Taishin Real-Estate	Second-tier subsidiary
Taishin Financial Leasing (China)	Second-tier subsidiary
Taishin Securities Venture Capital	Second-tier subsidiary
Taishin Capital	Second-tier subsidiary
Credidi Inc.	Second-tier subsidiary (became a non-related party on November 21, 2023)
Taishin Health Investment	Second-tier subsidiary
Taishin Futures	Second-tier subsidiary
Taishin Sports Entertainment	Second-tier subsidiary
An Hsin Construction Manager Corp. (“An Hsin Construction Manager”)	Associate
Shin Kong Financial Holding Co., Ltd. (“Shin Kong Financial Holding”)	Other
Shin Kong Life Insurance Co., Ltd. (“Shin Kong Life Insurance”)	Other
Shin Kong Insurance Co., Ltd. (“Shin Kong Insurance”)	Other
MasterLink Securities Corp. (“MasterLink Securities”)	Other
Shin Kong Synthetic Fibers Co., Ltd. (“Shin Kong Synthetic Fibers”)	Other
Shin Kong Mitsukoshi Department Store Co., Ltd. (“Shin Kong Mitsukoshi”)	Other
Shin Kong Commercial Bank Co., Ltd. (“Shin Kong Bank”)	Other
Dah Chung Bills Finance Corp. (“Dah Chung Bills”)	Other
CyberSoft Digital Service Corp. (“CyberSoft Digital Service”)	Other
An Shin Construction Manager Corp. (“An Shin Construction Manager”)	Other
Yuanta Commercial Bank Co., Ltd. (“Yuanta Bank”)	Other
Tasco Chemical Corp. (“Tasco Chemical”)	Other

(Continued)

Name	Relationship
Taiwan Fieldrich Corp. (“Taiwan Fieldrich”)	Other
Darfon Electronics Corp. (“Darfon”)	Other
Chin We Co., Ltd. (“Chin We”)	Other
Yi Huan Co., Ltd. (“Yi Huan”)	Other
Xiang Zhao Investment Co., Ltd. (“Xiang Zhao”)	Other
Excel Chemical Corp. (“Excel Chemical”)	Other
Yun Teh Corporation (“Yun Teh”)	Other
Chang Her Industrial Corp. (“Chang Her”)	Other
Hung Shin Enterprise Co., Ltd. (“Hung Shin”)	Other
Mega Green Energy Corporation (“Mega Green Energy”)	Other
Jia Hao Corporation (“Jia Hao”)	Other
Ezconn Corporation (“Ezconn”)	Other
Sercomm Corporation (“Sercomm”)	Other
AcBel Polytech Inc. (“AcBel Polytech”)	Other
Oneness Biotech Co., Ltd. (“Oneness Biotech”)	Other (became a non-related party on July 1, 2024)
Nan Ya Plastics Corporation (“Nan Ya Plastics”)	Other (became a non-related party on July 1, 2024)
Bor Sy Industrial Corp. (“Bor Sy”)	Other
Taipei Exchange (“TPEX”)	Other
Taiwan Depository & Clearing Corporation (“TDCC”)	Other (became a non-related party on October 3, 2023)
Diamond Biofund Inc. (“Diamond Biofund”)	Other
Delin Industrial Corp., Ltd. (“Delin Industrial”)	Other
Shinkong Co., Ltd. (“Shinkong”)	Other
Realtek Semiconductor Corporation (“Realtek”)	Other
Payeasy Digital Integration Co., Ltd. (“Payeasy”)	Other
Taishin Leasing & Financing Co., Ltd. (“Taishin Leasing & Financing”)	Other
Scinopharm Taiwan, Ltd. (“Scinopharm”)	Other
Hsing An Chin Yeh Co., Ltd. (“Hsing An Chin Yeh”)	Other
Acer Incorporated (“Acer”)	Other
Taishin Bank Foundation for Art and Culture	Other
Taishin Charity Foundation	Other
Individual A	Key management personnel’s spouse
Individual B	Key management personnel
Individual C	Key management personnel
Others	Including key management personnel and others

(Concluded)

b. Material transactions with related parties:

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed as follows:

1) Loans, deposits and guaranteed loans

Loans to related parties of Taishin Bank and subsidiaries were as follows:

Loans

	Ending Balance
September 30, 2024	\$ 3,616,437
December 31, 2023	2,504,578
September 30, 2023	2,986,633

For the three months ended September 30, 2024 and 2023, the amounts of interest income were \$12,188 thousand and \$17,346 thousand, respectively. For the nine months ended September 30, 2024 and 2023, the amounts of interest income were \$42,869 thousand and \$42,683 thousand, respectively, and interest rates ranged from 1.43% to 15.13% and from 1.07% to 15.00%, respectively.

	September 30, 2024					The Different Terms with Non-related Parties
	Ending Balance	Highest Amount	Performance Status		Collateral	
			Normal Loans	Non- performing Loans		
<u>Consumer loans</u>						
132 accounts	\$ 548,685	\$ 639,576	\$ 548,685	\$ -	Land, buildings and chattels	None
<u>Self-used residence mortgage loans</u>						
152 accounts	1,009,376	1,173,016	1,009,376	-	Land and buildings	None
<u>Other loans</u>						
AcBel Polytech	500,000	1,300,000	500,000	-	-	None
Realtek	1,266,800	1,279,200	1,266,800	-	-	None
Others	291,576	3,732,960	291,576	-	Land, buildings, securities - deposits, securities - shares and letter of guarantee	None
	<u>\$ 3,616,437</u>		<u>\$ 3,616,437</u>	<u>\$ -</u>		

December 31, 2023						
	Ending Balance	Highest Amount	Performance Status		Collateral	The Different Terms with Non-related Parties
			Normal Loans	Non-performing Loans		
<u>Consumer loans</u>						
133 accounts	\$ 520,644	\$ 724,032	\$ 520,644	\$ -	Land, buildings and chattels	None
<u>Self-used residence mortgage loans</u>						
154 accounts	1,085,915	1,224,691	1,085,915	-	Land and buildings	None
<u>Other loans</u>						
Ezconn	368,000	2,516,000	368,000	-	Land and buildings	None
Shin Kong	250,000	2,050,000	250,000	-	Securities - shares	None
Synthetic Fibers						
Others	<u>280,019</u>	4,264,841	<u>280,019</u>	<u>-</u>	Land, buildings and securities - deposits	None
	<u>\$ 2,504,578</u>		<u>\$ 2,504,578</u>	<u>\$ -</u>		
September 30, 2023						
	Ending Balance	Highest Amount	Performance Status		Collateral	The Different Terms with Non-related Parties
			Normal Loans	Non-performing Loans		
<u>Consumer loans</u>						
123 accounts	\$ 457,077	\$ 617,729	\$ 457,077	\$ -	Land, buildings and chattels	None
<u>Self-used residence mortgage loans</u>						
150 accounts	1,079,539	1,194,206	1,079,539	-	Land and buildings	None
<u>Other loans</u>						
Ezconn	324,000	1,998,000	324,000	-	Land and buildings	None
Darfon	600,000	1,200,000	600,000	-	-	None
Shin Kong	250,000	1,200,000	250,000	-	Securities - shares	None
Synthetic Fibers						
Others	<u>276,017</u>	2,507,419	<u>276,017</u>	<u>-</u>	Land, buildings and securities - deposits	None
	<u>\$ 2,986,633</u>		<u>\$ 2,986,633</u>	<u>\$ -</u>		

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

Deposits

	Ending Balance
September 30, 2024	\$ 15,176,858
December 31, 2023	16,233,579
September 30, 2023	17,103,059

For the three months ended September 30, 2024 and 2023, the amounts of interest expense were \$52,663 thousand and \$88,053 thousand, respectively. For the nine months ended September 30, 2024 and 2023, the amounts of interest expense were \$226,134 thousand and \$246,140 thousand, respectively, and interest rates ranged from 0.00% to 8.00% and 0.00% to 10.00%, respectively.

September 30, 2024				
			Interest Expense	
	Ending Balance	Interest Rate Range (Per Annum%)	For the Three Months Ended September 30	For the Nine Months Ended September 30
Shin Kong Mitsukoshi	\$ 3,265,752	0.00-1.58	\$ (5,773)	\$ (8,854)
TPEX	1,949,151	0.43-1.67	(4,933)	(14,222)
Tasco Chemical	621,331	0.01-1.15	(232)	(658)
Ezconn	590,171	0.00-5.50	(3,348)	(8,809)
Sercomm	534,638	0.50-1.57	(2,371)	(13,971)
Dah Chung Bills	418,354	0.00-1.30	(1,129)	(3,100)
Excel Chemical	404,259	0.01-0.66	(4)	(13)
An Shin Construction Manager	400,147	0.25-0.66	(48)	(487)
Shin Kong Insurance	243,711	0.00-1.64	(273)	(2,610)
Payeasy	230,889	0.00-1.69	(1,412)	(1,412)
Shin Kong Synthetic Fibers	179,445	0.00-1.15	(502)	(1,483)
Chang Her	175,511	0.01-1.15	(135)	(216)
Taishin Leasing & Financing	174,031	0.00-0.66	(106)	(157)
Yun Teh	165,007	0.01-0.66	(87)	(110)
Shinkong	161,922	0.00-0.66	-	-
Taiwan Fieldrich	149,840	0.01-5.37	(1,804)	(5,348)
Delin Industrial	142,294	0.00-5.35	(475)	(1,646)
Shin Kong Life Insurance	124,498	0.05-1.15	(833)	(1,519)
Individual A	111,514	0.01-1.15	(323)	(986)
Scinopharm	110,126	0.00-1.62	(76)	(124)
Hsing An Chin Yeh	100,077	0.01-5.35	(503)	(1,136)
Others	<u>4,924,190</u>		<u>(28,296)</u>	<u>(159,273)</u>
	<u>\$ 15,176,858</u>		<u>\$ (52,663)</u>	<u>\$ (226,134)</u>

December 31, 2023			
	Ending Balance	Interest Rate Range (Per Annum %)	Interest Expense
Oneness Biotech	\$ 4,598,818	0.01-5.19	\$ (230,346)
TPEX	1,941,485	0.11-1.54	(14,855)
Sercomm	1,616,812	0.15-1.36	(3,564)
Shin Kong Mitsukoshi	812,306	0.00-0.53	(7,419)
Dah Chung Bills	416,861	0.00-1.20	(3,696)
Ezconn	400,909	0.00-5.50	(10,264)
Shin Kong Synthetic Fibers	330,285	0.00-0.85	(2,731)
Tasco Chemical	298,878	0.01-0.85	(633)
Excel Chemical	253,184	0.01-0.53	(22)
Hung Shin	212,254	0.01-0.01	(8)
Delin Industrial	205,672	0.01-5.35	(840)
An Shin Construction Manager	198,031	0.25-0.53	(3,461)
Mega Green Energy	195,417	0.41-1.56	(2,274)
Shin Kong Insurance	143,481	0.00-1.51	(1,616)
Taiwan Fieldrich	140,033	0.01-5.37	(6,432)
Individual A	102,746	0.01-0.85	(475)
Shin Kong Life Insurance	100,564	0.08-0.85	(956)
Others	<u>4,265,843</u>		<u>(48,658)</u>
	<u>\$ 16,233,579</u>		<u>\$ (338,250)</u>

September 30, 2023				
	Ending Balance	Interest Rate Range (Per Annum %)	Interest Expense	
			For the Three Months Ended September 30	For the Nine Months Ended September 30
Oneness Biotech	\$ 4,806,214	0.01-5.19	\$ (61,500)	\$ (169,438)
TPEX	1,944,925	0.11-1.54	(3,931)	(10,625)
Shin Kong Mitsukoshi	1,182,578	0.00-0.53	(1,569)	(5,277)
Diamond Biofund	1,151,875	0.01-1.26	(746)	(747)
Ezconn	521,436	0.00-5.32	(2,706)	(7,024)
Shin Kong Synthetic Fibers	469,939	0.00-0.85	(782)	(2,208)
Dah Chung Bills	417,352	0.00-1.04	(868)	(2,581)
Tasco Chemical	299,436	0.00-0.85	(163)	(438)
An Shin Construction Manager	288,214	0.25-0.53	(791)	(2,990)
Excel Chemical	253,174	0.01-0.53	(6)	(17)
Mega Green Energy	247,710	0.41-1.56	(615)	(1,663)
Shin Kong Insurance	233,249	0.00-1.51	(397)	(1,343)
Hung Shin	212,222	0.01-0.01	(1)	(5)
Individual A	182,093	0.01-0.85	(75)	(157)
Taiwan Fieldrich	145,179	0.01-5.00	(1,648)	(4,748)
Individual B	111,523	0.00-4.00	(240)	(817)
Shin Kong Life Insurance	103,488	0.08-0.85	(238)	(743)
Others	<u>4,532,452</u>		<u>(11,777)</u>	<u>(35,319)</u>
	<u>\$ 17,103,059</u>		<u>\$ (88,053)</u>	<u>\$ (246,140)</u>

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

2) Call loan to banks and call loan from banks

		September 30, 2024			
		Ending Balance	Interest Rate Range (Per Annum%)	Interest Income (Expense)	
Item				For the Three Months Ended September 30	For the Nine Months Ended September 30
Dah Chung Bills	Call loan to banks	\$ 1,000,000	1.60-1.60	\$ 658	\$ 658
Yuanta Bank	Call loan to banks	-	4.88-5.38	258	705
Yuanta Bank	Call loan from banks	-	1.05-5.40	-	(893)

		December 31, 2023		
		Ending Balance	Interest Rate Range (Per Annum %)	Interest Income
Item				(Expense)
Yuanta Bank	Call loan to banks	\$ -	4.58-5.36	\$ 2,406
Yuanta Bank	Call loan from banks	-	5.10-5.36	(653)

		September 30, 2023			
		Ending Balance	Interest Rate Range (Per Annum%)	Interest Income (Expense)	
Item				For the Three Months Ended September 30	For the Nine Months Ended September 30
Yuanta Bank	Call loan to banks	\$ -	4.58-5.36	\$ 87	\$ 1,834
Yuanta Bank	Call loan from banks	-	5.10-5.14	(91)	(447)

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

3) Trading securities

		September 30, 2024				
Purchase Price (Accumulated Amount)	Sales Price (Accumulated Amount)	Repurchase Agreements		Resell Agreements		
		Ending Balance	Interest Rate Range (Per Annum%)	Ending Balance	Interest Rate Range (Per Annum%)	
MasterLink Securities	\$ 2,790,637	\$ 102,842	\$ -	-	\$ -	-
Dah Chung Bills	-	200,000	-	-	-	-
Yuanta Bank	-	899,644	-	-	-	-
Chin We	-	-	55,040	0.97-1.20	-	-
Xian Zhao	-	-	25,208	1.00-1.20	-	-
Jia Hao	-	-	50,451	1.00-1.20	-	-
Individual C	-	-	95,787	0.95-1.20	-	-
Bor Sy	-	-	20,020	1.04-1.12	-	-
Shin Kong Bank	-	50,832	-	-	-	-
	<u>\$ 2,790,637</u>	<u>\$ 1,253,318</u>	<u>\$ 246,506</u>		<u>\$ -</u>	

December 31, 2023						
Purchase Price (Accumulated Amount)	Sales Price (Accumulated Amount)	Repurchase Agreements		Resell Agreements		
		Ending Balance	Interest Rate Range (Per Annum%)	Ending Balance	Interest Rate Range (Per Annum%)	
MasterLink Securities	\$ 4,471,461	\$ 2,073,277	\$ -	-	\$ -	-
Dah Chung Bills	2,900,540	100,000	-	-	-	-
Yuanta Bank	-	199,776	-	-	-	-
Chin We	-	-	61,289	0.87-0.99	-	-
Yi Huan	-	-	15,042	0.79-0.96	-	-
Xiang Zhao	-	-	12,063	0.79-0.96	-	-
Jia Hao	-	-	30,375	0.79-0.99	-	-
Yun Teh	-	-	15,006	0.78-0.97	-	-
Nan Ya Plastics	300,000	-	-	-	-	-
Individual C	-	-	70,223	0.78-0.98	-	-
	<u>\$ 7,672,001</u>	<u>\$ 2,373,053</u>	<u>\$ 203,998</u>		<u>\$ -</u>	

September 30, 2023						
Purchase Price (Accumulated Amount)	Sales Price (Accumulated Amount)	Repurchase Agreements		Resell Agreements		
		Ending Balance	Interest Rate Range (Per Annum%)	Ending Balance	Interest Rate Range (Per Annum%)	
MasterLink Securities	\$ 3,923,765	\$ 1,954,776	\$ -	-	\$ -	-
Dah Chung Bills	-	100,000	-	-	-	-
Yuanta Bank	-	199,776	-	-	-	-
Chin We	-	-	61,149	0.87-0.96	-	-
Yi Huan	-	-	15,018	0.79-0.96	-	-
Xian Zhao	-	-	15,039	0.79-0.96	-	-
Jia Hao	-	-	80,274	0.79-0.96	-	-
Individual C	-	-	75,045	0.78-0.95	-	-
Bor Sy	-	-	10,024	0.79-0.95	-	-
TDCC	23,342	16,685	-	-	-	-
	<u>\$ 3,947,107</u>	<u>\$ 2,271,237</u>	<u>\$ 256,549</u>		<u>\$ -</u>	

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

4) Derivatives

September 30, 2024							
Related Parties	Derivative Contracts	Period	Nominal Principal Amount	Valuation Gain (Loss)		Account	Balance
				For the Three Months Ended September 30	For the Nine Months Ended September 30		
Acer	Forward exchange contracts	2023/7/13-2025/2/27	\$ 4,870,048	\$ (4,071)	\$ (4,071)	Financial assets at FVTPL	\$ 32,762
	Currency swaps	2023/12/27-2024/9/30	12,668,000	(149)	(149)	Financial liabilities at FVTPL	-

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

5) Liability contracts with related parties

Related Parties	September 30, 2024	December 31, 2023	September 30, 2023
<u>Other financial assets - customer margin account</u>			
Yuanta Bank	\$ 1,216,417	\$ 238,403	\$ -
<u>Other financial assets - due from banks</u>			
Yuanta Bank	350,000	-	-

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

6) Borrowings from related parties

Related Parties	September 30, 2024	December 31, 2023	September 30, 2023
<u>Short-term borrowings</u>			
Yuanta Bank	\$ 500,000	\$ 550,000	\$ 300,000
<u>Commercial papers issued</u>			
Yuanta Bank	-	299,800	-

The Group's borrowing interest rates with related parties are consistent with market rates.

7) Financial assets at FVTPL

Item	Name	September 30, 2024		December 31, 2023		September 30, 2023	
		Ending Shares (In Thousands)	Ending Balance	Ending Shares (In Thousands)	Ending Balance	Ending Shares (In Thousands)	Ending Balance
Trading securities - underwriting	Sercomm	2,885	\$ 319,370	3,000	\$ 330,900	623	\$ 81,239
Trading securities - hedging	Shin Kong Financial Holding	-	-	530	55,014	2,753	280,806

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

8) Donation expense

Related Parties	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Taishin Bank Foundation for Arts and Culture	\$ 7,500	\$ 7,500	\$ 22,500	\$ 22,500
Taishin Charity Foundation	4,500	4,500	13,500	13,500
	<u>\$ 12,000</u>	<u>\$ 12,000</u>	<u>\$ 36,000</u>	<u>\$ 36,000</u>

Donation expense is used to promote Taiwan's contemporary arts and implement charity programs, meeting corporate social responsibility. As of September 30, 2024, and 2023, the Group's prepaid donation expenses to related parties amounted to \$12,000 thousand and \$7,500 thousand, respectively.

9) Other material transactions

For the Three Months Ended September 30					
		2024		2023	
	Item	Amount		Item	Amount
CyberSoft Digital Service	Operating expenses	\$ (40,729)		Operating expenses	\$ (52,498)
Shin Kong Mitsukoshi	Service charge and operating expenses	(75,267)		Service charge and operating expenses	(57,886)
Shin Kong Mitsukoshi	Fee income	85,022		Fee income	69,457
Shin Kong Life Insurance	Commission income	5,310		Commission income	4,732
For the Nine Months Ended September 30					
		2024		2023	
	Item	Amount		Item	Amount
CyberSoft Digital Service	Operating expenses	\$ (128,144)		Operating expenses	\$ (197,519)
Shin Kong Mitsukoshi	Service charge and operating expenses	(203,706)		Service charge and operating expenses	(211,931)
Shin Kong Mitsukoshi	Fee income	239,849		Fee income	225,684
Shin Kong Life Insurance	Commission income	21,756		Commission income	14,829

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

c. Compensation of key management personnel

The remuneration of directors and other members of key management personnel for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023 included the following:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Short-term benefits	\$ 102,404	\$ 72,178	\$ 241,933	\$ 200,763
Post-employment benefits	228	306	804	810
Share-based payments	<u>1,820</u>	<u>24,737</u>	<u>8,115</u>	<u>41,366</u>
	<u>\$ 104,452</u>	<u>\$ 97,221</u>	<u>\$ 250,852</u>	<u>\$ 242,939</u>

d. Related-party transactions of subsidiaries amounting to more than \$100,000 thousand.

1) Taishin Bank

Material transactions with related parties were as follows:

a) Loans, deposits and guaranteed loans

Loans

	September 30, 2024					
	Ending Balance	Highest Amount	Performance Status		Collateral	The Different Terms with Non-related Parties
			Normal Loans	Non-performing Loans		
<u>Other loans</u>						
AcBel Polytech	\$ 500,000	\$ 1,300,000	\$ 500,000	\$ -	-	None
Realtek	1,266,800	1,279,200	1,266,800	-	-	None
September 30, 2023						
	Ending Balance	Highest Amount	Performance Status		Collateral	The Different Terms with Non-related Parties
			Normal Loans	Non-performing Loans		
<u>Other loans</u>						
Ezconn	\$ 324,000	\$ 1,998,000	\$ 324,000	\$ -	Land and buildings	None
Darfon	600,000	1,200,000	600,000	-	-	None
Shin Kong Synthetic Fibers	250,000	1,200,000	250,000	-	Securities-shares	None

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

Deposits

	September 30, 2024		
	Ending Balance	Interest Rate Range (Per Annum %)	Interest Expense
Taishin Financial Holding	\$ 21,218,096	0.00-1.66	\$ (204,750)
Taishin Securities B	3,607,882	0.00-2.20	(9,844)
Shin Kong Mitsukoshi	3,265,752	0.00-1.58	(8,854)
Taishin Life Insurance	2,801,333	0.00-2.20	(12,507)
TPEX	1,949,151	0.43-1.67	(14,222)
Taishin Futures	1,096,558	0.00-5.53	(7,826)
Tasco Chemical	621,331	0.01-1.15	(658)
Ezconn	590,171	0.00-5.50	(8,809)
Sercomm	534,638	0.50-1.57	(13,971)
Dah Chung Bills	418,354	0.00-1.30	(3,100)
Tasco Chemical	404,259	0.01-0.66	(13)
An Shin Construction Manager	400,147	0.25-0.66	(487)
Taishin Securities Investment Advisory	324,430	0.53-5.35	(6,154)
Shin Kong Insurance	243,711	0.00-1.64	(2,610)
Taishin Securities Investment Trust	237,988	0.00-2.20	(1,297)

(Continued)

	September 30, 2024		
	Ending Balance	Interest Rate Range (Per Annum %)	Interest Expense
Payeasy	\$ 230,889	0.00-1.69	\$ (1,412)
Shin Kong Synthetic Fibers	179,445	0.00-1.15	(1,483)
Chang Her	175,511	0.01-1.15	(216)
Taishin Leasing & Financing	174,031	0.00-0.66	(157)
Taishin D.A. Finance	165,762	0.00-1.64	(425)
Yun Teh	165,007	0.01-0.66	(110)
Shinkong	161,922	0.00-0.66	-
Taiwan Fieldrich	149,840	0.01-5.37	(5,348)
Delin Industrial	142,294	0.00-5.35	(1,646)
Shin Kong Life Insurance	124,498	0.05-1.15	(1,519)
Individual A	111,514	0.01-1.15	(986)
Scinopharm	110,126	0.00-1.62	(124)
Hsing An Chin Yeh	100,077	0.01-5.35	(1,136)
			(Concluded)

	September 30, 2023		
	Ending Balance	Interest Rate Range (Per Annum %)	Interest Expense
Taishin Financial Holding	\$ 24,780,402	0.00-1.35	\$ (182,851)
Oneness Biotech	4,806,214	0.01-5.19	(169,438)
Taishin Life Insurance	2,505,606	0.00-2.20	(6,806)
TPEX	1,944,925	0.11-1.54	(10,625)
Taishin Securities B	1,814,596	0.00-1.70	(10,642)
Taishin Futures	1,200,457	0.00-1.25	(1,441)
Shin Kong Mitsukoshi	1,182,578	0.00-0.53	(5,277)
Diamond Biofund	1,151,875	0.01-1.26	(747)
Ezconn	521,436	0.00-5.32	(7,024)
Shin Kong Synthetic Fibers	469,939	0.00-0.85	(2,208)
Dah Chung Bills	417,352	0.00-1.04	(2,581)
Taishin Securities Investment Advisory	348,888	0.41-5.32	(5,366)
Tasco Chemical	299,436	0.00-0.85	(438)
An Shin Construction Manager	288,214	0.25-0.53	(2,990)
Excel Chemical	253,174	0.01-0.53	(17)
Mega Green Energy	247,710	0.41-1.56	(1,663)
Shin Kong Insurance	233,249	0.00-1.51	(1,343)
Hung Shin	212,222	0.01-0.01	(5)
Individual A	182,093	0.01-0.85	(157)
Taiwan Fieldrich	145,179	0.01-5.00	(4,748)
Taishin Securities Investment Trust	138,698	0.08-1.70	(509)
Taishin D.A. Finance	115,765	0.00-1.51	(309)
Individual B	111,523	0.00-4.00	(817)
Shin Kong Life Insurance	103,488	0.08-0.85	(743)

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

b) Call loan to banks and call loan from banks

		September 30, 2024		
		Interest Rate		Interest Income (Expense)
Item	Ending Balance	Range (Per Annum %)	Interest Income (Expense)	
Dah Chung Bills	Call loan to banks	\$ 1,000,000	1.60-1.60	\$ 658

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

c) Trading securities

		September 30, 2024			
		Repurchase Agreements		Resell Agreements	
Purchase Price (Accumulated Amount)	Sales Price (Accumulated Amount)	Ending Balance	Interest Rate Range (Per Annum %)	Ending Balance	Interest Rate Range (Per Annum %)
MasterLink Securities	\$ 2,790,637	\$ 102,842	-	-	-
Taishin Financial Holding	-	-	500,000	0.95-1.20	-
Dah Chung Bills	-	200,000	-	-	-
Yuanta Bank	-	899,644	-	-	-

		September 30, 2023			
		Repurchase Agreements		Resell Agreements	
Purchase Price (Accumulated Amount)	Sales Price (Accumulated Amount)	Ending Balance	Interest Rate Range (Per Annum %)	Ending Balance	Interest Rate Range (Per Annum %)
MasterLink Securities	\$ 3,923,765	\$ 1,954,776	-	-	-
Taishin Financial Holding	-	-	100,000	0.80-0.96	-
Dah Chung Bills	-	100,000	-	-	-
Yuanta Bank	-	199,776	-	-	-

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

d) Derivatives

		September 30, 2024				
Related Parties	Derivative Contracts	Period	Nominal Principal Amount	Valuation Gain (Loss)	Account	Balance
Acer	Forward exchange contracts	2023/7/13-2025/2/27	\$ 4,870,048	\$ (4,071)	Financial assets at FVTPL	\$ 32,762
	Currency swaps	2023/12/27-2024/9/30	12,668,000	(149)	Financial liabilities at FVTPL	-

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

e) Liability contracts with related parties

		September 30	
Item	Related Parties	2024	2023
Receivables	Taishin Life Insurance	\$ 273,339	\$ 275,952
Accounts receivable under linked tax system	Taishin Financial Holding	-	124,565
Accounts payable under linked tax system	Taishin Financial Holding	1,063,607	787,403

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

f) Other material transactions

For the Nine Months Ended September 30					
		2024		2023	
	Item	Amount		Item	Amount
CyberSoft Digital Service	Operating expenses	\$ (124,072)		Operating expenses	\$ (193,312)
Shin Kong Mitsukoshi	Service charge and operating expenses	(203,519)		Service charge and operating expenses	(211,919)
Shin Kong Mitsukoshi	Fee income	239,849		Fee income	225,684
Taishin Life Insurance	Commission income	2,900,395		Commission income	2,437,846
Taishin Securities B	Fee income	134,490		Fee income	159,997

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

2) Taishin Life Insurance

a) Liability contracts with related parties

		September 30	
Item	Related Parties	2024	2023
Cash and cash equivalents	Taishin Bank	\$ 2,801,333	\$ 2,505,606
Commission payables	Taishin Bank	288,861	273,099
Accounts receivable under linked tax system	Taishin Financial Holding	54,950	120,303

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

b) Other material transactions

		For the Nine Months Ended September 30	
Item	Related Parties	2024	2023
Commission expenses	Taishin Bank	\$ 2,898,949	\$ 2,434,681

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

c) Taishin Life Insurance has entered into a contract with Taishin Securities Investment Trust for discretionary account operation which includes domestic stocks, domestic government bonds, domestic corporate bonds, domestic financial bonds, domestic repurchase agreement of government bonds and bank deposits. The minimum authorized allocation amount was \$30,000 thousand. The management fees arising from the discretionary account operation for the nine months ended September 30, 2024 and 2023 were \$114,416 thousand and \$83,848 thousand, respectively.

3) Taishin Securities B

a) Liability contracts with related parties

Item	Related Parties	September 30	
		2024	2023
Cash and cash equivalents	Taishin Bank	\$ 768,490	\$ 1,304,797
Other current assets - settlements and receipts under custody	Taishin Bank	2,537,460	128,020
Operating guarantee deposits	Taishin Bank	290,000	290,000
Accounts payable under linked tax system	Taishin Financial Holding	233,351	103,415

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

b) Lease arrangements

Additions to right-of-use assets

Related Parties	For the Nine Months Ended September 30	
	2024	2023
<u>Buildings</u>		
Taishin Bank	\$ 102,229	\$ 1,612

Item	Related Parties	September 30	
		2024	2023
Lease liabilities	Taishin Bank	\$ 169,612	\$ 113,821

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

c) Borrowings from related parties

Related Parties	September 30	
	2024	2023
<u>Short-term borrowings</u>		
Yuanta Bank	\$ 200,000	\$ -

Taishin Securities B's borrowing interest rates with related parties are consistent with market rates.

d) Financial assets at FVTPL - current

Item	Related Parties	September 30			
		2024		2023	
		Ending Shares (In Thousands)	Ending Balance	Ending Shares (In Thousands)	Ending Balance
Trading securities - underwriting	Sercomm	2,885	\$ 319,370	623	\$ 81,239
Trading securities - hedging	Shin Kong Financial Holding	-	-	2,753	280,806

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

- d) As of September 30, 2024, the amount of futures margin (recognized as financial assets at FVTPL - current) for the futures transactions between Taishin Securities B and Taishin Futures was \$794,664 thousand.

4) Taishin AMC

a) Credit receivable

In June 2005, Taishin AMC bought 12 accounts of credit loans from Taishin Bank for \$986,000 thousand with carrying amount of \$2,951,353 thousand. According to the contract, the receivables of \$986,000 thousand will be paid off in seven installments by October 31, 2006.

In July 2006, Taishin AMC bought non-performing loans that resulted from cash card, credit card and small consumer loans from Taishin Bank for \$546,697 thousand with carrying amount of \$9,494,153 thousand. According to the contract, June 30, 2006 was determined as the basic measurement date of this transaction, and the receivables of \$546,697 thousand will be paid off in two installments by September 15, 2006. In September 2006, Taishin AMC bought non-performing loans that consisted of cash card, credit card and small consumer loans from Taishin Bank for \$158,000 thousand with carrying amount of \$5,490,584 thousand. According to the contract, August 31, 2006 was determined as the basic measurement date of this transaction, and the receivables of \$158,000 thousand will be paid off in two installments by October 31, 2006. Also defined in the contract, 5 years from measurement date, Taishin AMC authorized Taishin Bank the rights to collect payments from debtors and will pay the 30% of loans collected as service fees and 40% of the remaining 70% of loan collected as commission. The service contracts mentioned were terminated on June 30, 2011 and August 31, 2011, respectively. From July 1, 2011 and September 1, 2011, Taishin AMC authorized Taishin Bank with the rights to collect payments from debtors and paid 32.5% of loans collected as service fees.

The transaction content summary is as follows:

Loans with transferred ownership

	For the Nine Months Ended September 30, 2024			
	Beginning Balance	Purchased	Collected	Ending Balance
Loans with transferred ownership	\$ 14,504,844	\$ -	\$ (71,058)	\$ 14,433,786

For the Nine Months Ended September 30, 2023

	Beginning Balance	Purchased	Collected	Ending Balance
Loans with transferred ownership	\$ 14,599,924	\$ _____ -	\$ (71,351)	\$ 14,528,573

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

5) Taishin Venture Capital Investment

On September 13, 2023, Taishin Venture Capital Investment's board of directors (on behalf of the shareholders) resolved to dispose 100% equity interest in Taishin Financial Leasing (China) by \$2,356,113 thousand. The transaction with related parties are made under arm's length terms, which are consistent with normal policies.

6) Taishin Securities Investment Trust

Liability contracts with related parties

Item	Related Parties	September 30	
		2024	2023
Refundable deposits	Taishin Bank	\$ 134,979	\$ 134,979
Commission income	Taishin Life Insurance	126,866	93,780

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

7) Taishin Securities Investment Advisory

Liability contracts with related parties

Item	Related Parties	September 30	
		2024	2023
Other financial assets	Taishin Bank	\$ 314,862	\$ 334,375

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

48. PLEDGED ASSETS

The following assets were provided as collateral for overdrafts from Central Bank and other banks, derivative trading, repurchase agreements and other operating deposits:

Pledged Assets	Description	September 30, 2024	December 31, 2023	September 30, 2023
Refundable deposits	Cash and certificates of time deposits	\$ 15,357,741	\$ 14,303,096	\$ 20,851,688
Operating deposits and settlement funds	Cash, certificates of time deposits, bonds and cash paid to stock exchange	1,969,139	1,690,206	1,692,866
Investments in debt instruments at FVTOCI	Bonds	229,098	312,563	315,111
Investments in debt instruments at amortized cost	Securities and bonds	16,626,873	16,526,284	16,305,777
Other financial assets - due from banks	Time deposits	75,000	75,000	75,000

49. CONTINGENT LIABILITIES AND COMMITMENTS

In addition to those mentioned in other notes, the Group has items as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Trust liabilities	\$ 966,426,943	\$ 820,134,087	\$ 791,332,813
Securities custody payable	117,141,400	97,180,742	95,829,683
Unpaid engineering equipment and software	1,056,249	1,094,743	1,133,814

As of September 30, 2024, the remaining capital commitments for the contracted private equity fund of the Group was \$1,969,204 thousand.

50. FINANCIAL INFORMATION BY BUSINESS SEGMENTS

Item	For the Nine Months Ended September 30, 2024				
	Bank Business	Securities Business	Insurance Business	Other Business	Total
Net interest income	\$ 22,064,117	\$ 259,185	\$ 4,934,624	\$ (1,346,827)	\$ 25,911,099
Net income other than net interest income	16,052,503	4,481,896	19,339,859	384,452	40,258,710
Net revenue and gains	38,116,620	4,741,081	24,274,483	(962,375)	66,169,809
Reversal of bad debts expenses and guarantee liabilities (provision)	(1,483,117)	26	578	-	(1,482,513)
Net changes in insurance liability reserve	-	-	(18,536,105)	690,206	(17,845,899)
Operating expenses	(21,660,642)	(2,424,826)	(1,918,298)	(1,083,318)	(27,087,084)
Income before income tax	14,972,861	2,316,281	3,820,658	(1,355,487)	19,754,313
Income tax (expense) benefit	(2,917,413)	(273,594)	165,798	(68,916)	(3,094,125)
Income after income tax	12,055,448	2,042,687	3,986,456	(1,424,403)	16,660,188

Item	For the Nine Months Ended September 30, 2023				
	Bank Business	Securities Business	Insurance Business	Other Business	Total
Net interest income	\$ 19,663,923	\$ 118,372	\$ 4,174,288	\$ (1,426,686)	\$ 22,529,897
Net income other than net interest income	13,195,902	3,268,736	14,823,112	(606,089)	30,681,661
Net revenue and gains	32,859,825	3,387,108	18,997,400	(2,032,775)	53,211,558
Reversal of bad debts expenses and guarantee liabilities (provision)	(1,066,225)	(1,077)	218	-	(1,067,084)
Net changes in insurance liability reserve	-	-	(13,767,070)	700,949	(13,066,121)
Operating expenses	(19,696,331)	(2,000,223)	(1,598,099)	(928,786)	(24,223,439)
Income before income tax	12,097,269	1,385,808	3,632,449	(2,260,612)	14,854,914
Income tax (expense) benefit	(2,473,155)	(110,166)	(10,648)	(157,257)	(2,751,226)
Income after income tax	9,624,114	1,275,642	3,621,801	(2,417,869)	12,103,688

51. FINANCIAL STATEMENTS OF TAISHIN FINANCIAL HOLDING

TAISHIN FINANCIAL HOLDING CO., LTD.

BALANCE SHEETS (STANDALONE)
SEPTEMBER 30, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

ASSETS	2024	2023	LIABILITIES AND EQUITY	2024	2023
Cash and cash equivalents	\$ 21,218,096	\$ 24,780,402	LIABILITIES		
Financial assets at fair value through other comprehensive income (FVTOCI)	11,192,841	10,814,509	Financial liabilities at fair value through profit or loss (FVTPL)	\$ 274,500	\$ 157,500
Securities purchased under resell agreements	500,000	100,000	Commercial papers issued, net	11,524,712	5,944,282
Receivables, net	1,361,301	931,702	Payables	674,854	768,241
Investments accounted for using equity method	243,542,570	218,697,606	Current tax liabilities	2,589,655	2,052,992
Property and equipment, net	11,404	3,311	Bonds payable	36,937,977	36,813,250
Right-of-use assets, net	7,587	13,656	Lease liabilities	8,813	14,931
Intangible assets, net	938	-	Total liabilities	<u>52,010,511</u>	<u>45,751,196</u>
Other assets, net	<u>23,026</u>	<u>19,596</u>	EQUITY		
TOTAL	<u>\$ 277,857,763</u>	<u>\$ 255,360,782</u>	Share capital		
			Ordinary shares	129,761,443	124,770,618
			Preferred shares	11,000,000	11,000,000
			Capital surplus	38,197,778	38,197,778
			Retained earnings		
			Legal reserve	18,439,029	16,926,942
			Special reserve	1,146,190	10,920,515
			Unappropriated earnings	26,736,398	13,046,770
			Other equity	566,414	(5,253,037)
			Total equity	<u>225,847,252</u>	<u>209,609,586</u>
			TOTAL	<u>\$ 277,857,763</u>	<u>\$ 255,360,782</u>

TAISHIN FINANCIAL HOLDING CO., LTD.

**STATEMENTS OF COMPREHENSIVE INCOME (STANDALONE)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	2024	2023
INCOME		
Share of profit of subsidiaries and associates accounted for using equity method	\$ 17,183,190	\$ 12,452,985
Interest income	208,610	187,430
Gain on financial assets and liabilities at FVTPL	-	18,000
Realized gains on financial assets at FVTOCI	333,697	348,019
Other income	<u>1,064</u>	<u>675</u>
Total income	<u>17,726,561</u>	<u>13,007,109</u>
EXPENSES AND LOSSES		
Operating expenses	(532,636)	(416,921)
Interest expenses	(544,474)	(488,654)
Loss on financial assets and liabilities at FVTPL	<u>(99,000)</u>	<u>-</u>
Total expenses and losses	<u>(1,176,110)</u>	<u>(905,575)</u>
INCOME BEFORE INCOME TAX	16,550,451	12,101,534
INCOME TAX (EXPENSE) BENEFIT	<u>109,211</u>	<u>-</u>
NET INCOME	<u>16,659,662</u>	<u>12,101,534</u>
OTHER COMPREHENSIVE INCOME (LOSS)		
Items that will not be reclassified subsequently to profit or loss		
Unrealized gain (loss) on investments in equity instruments designated as at FVTOCI	347,545	809,822
Share of other comprehensive income (loss) of associates accounted for using equity method	464,808	(431,155)
Items that will be reclassified subsequently to profit or loss		
Share of other comprehensive income (loss) of associate accounted for using equity method	<u>1,280,005</u>	<u>2,214,098</u>
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD, NET OF TAX	<u>2,092,358</u>	<u>2,592,765</u>
TOTAL COMPREHENSIVE INCOME (LOSS)	<u>\$ 18,752,020</u>	<u>\$ 14,694,299</u>
EARNINGS PER SHARE		
Basic	<u>\$1.17</u>	<u>\$0.82</u>
Diluted	<u>\$1.17</u>	<u>\$0.82</u>

TAISHIN FINANCIAL HOLDING CO., LTD.

STATEMENTS OF CHANGES IN EQUITY (STANDALONE)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	Share Capital		Capital Surplus				Retained Earnings			Other Equity				Total Equity
	Ordinary Shares	Preferred Shares	Additional Paid-in Capital in Excess of Par	Treasury Shares Transactions	Share-Based Compensation	Others	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at FVTOCI	Changes in Fair Value Attributable to Changes in the Credit Risk of Financial Liabilities at FVTPL	Other Comprehensive Income (Loss) on Reclassification Using the Overlay Approach	
BALANCE AT JANUARY 1, 2023	\$ 119,741,476	\$ 11,000,000	\$ 36,066,458	\$ 2,075,475	\$ 52,632	\$ 3,213	\$ 15,244,071	\$ 8,698,118	\$ 17,279,705	\$ (138,234)	\$ (3,800,290)	\$ 282,149	\$ (3,637,143)	\$ 202,867,630
Appropriation of 2022 earnings														
Legal reserve appropriated	-	-	-	-	-	-	1,682,871	-	(1,682,871)	-	-	-	-	-
Special reserve appropriated	-	-	-	-	-	-	-	7,251,539	(7,251,539)	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	-	-	-	-	(6,106,815)	-	-	-	-	(6,106,815)
Cash dividends of preferred shares	-	-	-	-	-	-	-	-	(1,845,528)	-	-	-	-	(1,845,528)
Stock dividends of ordinary shares	5,029,142	-	-	-	-	-	-	-	(5,029,142)	-	-	-	-	-
Reversal of the special reserve	-	-	-	-	-	-	-	(5,029,142)	5,029,142	-	-	-	-	-
Net income for the nine months ended September 30, 2023	-	-	-	-	-	-	-	-	12,101,534	-	-	-	-	12,101,534
Other comprehensive income (loss) for the nine months ended September 30, 2023, net of tax	-	-	-	-	-	-	-	-	-	4,205	734,469	(82,218)	1,936,309	2,592,765
Total comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	-	-	-	-	12,101,534	4,205	734,469	(82,218)	1,936,309	14,694,299
Disposal of investments in equity instruments designated as at FVTOCI	-	-	-	-	-	-	-	-	552,284	-	(552,284)	-	-	-
BALANCE AT SEPTEMBER 30, 2023	\$ 124,770,618	\$ 11,000,000	\$ 36,066,458	\$ 2,075,475	\$ 52,632	\$ 3,213	\$ 16,926,942	\$ 10,920,515	\$ 13,046,770	\$ (134,029)	\$ (3,618,105)	\$ 199,931	\$ (1,700,834)	\$ 209,609,586
BALANCE AT JANUARY 1, 2024	\$ 124,770,618	\$ 11,000,000	\$ 36,066,458	\$ 2,075,475	\$ 52,632	\$ 3,213	\$ 16,926,942	\$ 10,920,515	\$ 15,513,819	\$ (184,525)	\$ (986,719)	\$ 161,394	\$ 215,398	\$ 216,535,220
Appropriation of 2023 earnings														
Legal reserve appropriated	-	-	-	-	-	-	1,512,087	-	(1,512,087)	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	-	-	-	-	(7,486,237)	-	-	-	-	(7,486,237)
Cash dividends of preferred shares	-	-	-	-	-	-	-	-	(1,953,751)	-	-	-	-	(1,953,751)
Stock dividends of ordinary shares	4,990,825	-	-	-	-	-	-	-	(4,990,825)	-	-	-	-	-
Reversal of the special reserve	-	-	-	-	-	-	-	(9,774,325)	9,774,325	-	-	-	-	-
Net income for the nine months ended September 30, 2024	-	-	-	-	-	-	-	-	16,659,662	-	-	-	-	16,659,662
Other comprehensive income (loss) for the nine months ended September 30, 2024, net of tax	-	-	-	-	-	-	-	-	(88)	109,411	2,239,970	(117,230)	(139,705)	2,092,358
Total comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	-	-	-	-	16,659,574	109,411	2,239,970	(117,230)	(139,705)	18,752,020
Disposal of investments in equity instruments designated as at FVTOCI	-	-	-	-	-	-	-	-	731,580	-	(731,580)	-	-	-
BALANCE AT SEPTEMBER 30, 2024	\$ 129,761,443	\$ 11,000,000	\$ 36,066,458	\$ 2,075,475	\$ 52,632	\$ 3,213	\$ 18,439,029	\$ 1,146,190	\$ 26,736,398	\$ (75,114)	\$ 521,671	\$ 44,164	\$ 75,693	\$ 225,847,252

TAISHIN FINANCIAL HOLDING CO., LTD.

STATEMENTS OF CASH FLOWS (STANDALONE)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before income tax	\$ 16,550,451	\$ 12,101,534
Depreciation expenses	5,903	5,383
Amortization expenses	1,080	448
Net loss (gain) on financial assets and liabilities at FVTPL	99,000	(18,000)
Net loss (gain) on financial assets and liabilities at FVTOCI	(333,697)	(348,019)
Interest expenses	544,474	488,654
Interest income	(208,610)	(187,430)
Share of profit of subsidiaries accounted for using equity method	(17,183,190)	(12,452,985)
Other adjustments	15	-
Changes in operating assets and liabilities		
Net changes in operating assets		
(Increase) decrease in receivables	3,486,021	382,625
(Increase) decrease in financial assets at FVTOCI	11,469	8,889,459
(Increase) decrease in other assets	(4,510)	(929)
Net changes in operating liabilities		
Increase (decrease) in payables	28,915	(27,165)
Interest received	194,113	184,920
Dividends received	14,456,918	5,186,570
Interest paid	(440,898)	(368,053)
Income taxes paid	<u>(2,908,745)</u>	<u>(18,490)</u>
Net cash generated from (used in) operating activities	<u>14,298,709</u>	<u>13,818,522</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments accounted for using equity method	(10,600,000)	(5,000,000)
Proceeds from capital reduction of investments accounted for using equity method	2,356,113	-
Acquisition of property and equipment	<u>(9,734)</u>	<u>(2,222)</u>
Net cash generated from (used in) investing activities	<u>(8,253,621)</u>	<u>(5,002,222)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in commercial papers payable	5,100,000	3,500,000
Payments of lease liabilities	(4,647)	(4,495)
Cash dividends distributed	<u>(9,439,988)</u>	<u>(7,952,343)</u>
Net cash generated from (used in) financing activities	<u>(4,344,635)</u>	<u>(4,456,838)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,700,453	4,359,462
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>20,017,643</u>	<u>20,520,940</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 21,718,096</u>	<u>\$ 24,880,402</u>
Cash and cash equivalents in the balance sheets	\$ 21,218,096	\$ 24,780,402
Securities purchased under resell agreements qualifying as cash and cash equivalents under the definition of IAS 7	<u>500,000</u>	<u>100,000</u>
	<u>\$ 21,718,096</u>	<u>\$ 24,880,402</u>

52. PROFITABILITY OF TAISHIN FINANCIAL HOLDING (STANDALONE AND CONSOLIDATED)

The Company

Item		For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Return on total assets	Pretax	6.11%	4.84%
	After tax	6.15%	4.84%
Return on net equity	Pretax	7.48%	5.87%
	After tax	7.53%	5.87%
Profit margin		93.98%	93.04%

Note a: Return on total assets = $\frac{\text{Income before (after) tax}}{\text{Average assets}}$

Note b: Return on net equity = $\frac{\text{Income before (after) tax}}{\text{Average net equity}}$

Note c: Profit margin = $\frac{\text{Income after tax}}{\text{Total income}}$

Note d: Profitability presented above is cumulative from January 1 to September 30 of 2024 and 2023.

Note e: Return on net equity - ordinary share = $\frac{\text{Income before (after) tax}}{\text{Average net equity - ordinary share}}$

Item		For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Return on net equity - ordinary share	Pretax	8.65%	6.68%
	After tax	8.71%	6.68%

The Group

Item		For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Return on total assets	Pretax	0.62%	0.52%
	After tax	0.53%	0.42%
Return on net equity	Pretax	8.93%	7.20%
	After tax	7.53%	5.87%
Profit margin		25.18%	22.75%

Note a: Return on total assets = $\frac{\text{Income before (after) tax}}{\text{Average assets}}$

Note b: Return on net equity = $\frac{\text{Income before (after) tax}}{\text{Average net equity}}$

Note c: Profit margin = $\frac{\text{Income after tax}}{\text{Net revenue and gains}}$

Note d: Profitability presented above is cumulative from January 1 to September 30 of 2024 and 2023.

$$\text{Note e: Return on net equity - ordinary share} = \frac{\text{Income before (after) tax (of the parent company's shareholders)}}{\text{Average net equity - ordinary share}}$$

Item		For the Nine Months Ended	For the Nine Months Ended
		September 30, 2024	September 30, 2023
Return on net equity - ordinary share	Pretax	10.49%	8.40%
	After tax	8.71%	6.68%

53. CONDENSED BALANCE SHEETS AND STATEMENTS OF COMPREHENSIVE INCOME AND IMPORTANT FINANCIAL NOTES OF SUBSIDIARIES

Taishin Bank

- a. Taishin Bank's subsidiary, Taishin D.A. Finance, acquired a 100% equity interest in Taishin Financial Leasing (China) from Taishin Venture Capital Investment on the settlement base date of December 5, 2023. The consolidation is a reorganization under common control. According to the regulations issued by the Accounting Research and Development Foundation, when Taishin Bank prepares the comparative standalone financial statements, the financial statements shall be retroactively restated as if the acquisition had occurred.
- b. Balance sheets (standalone)

	September 30	
	2024	2023 (Restated)
Assets		
Cash and cash equivalents	\$ 25,992,972	\$ 35,720,619
Due from Central Bank and call loans to banks	185,532,585	97,191,256
Financial assets at FVTPL	127,990,761	158,822,070
Financial assets at FVTOCI	129,005,654	116,720,495
Investments in debt instruments at amortized cost	517,225,654	524,119,756
Securities purchased under resell agreements	2,582,711	15,123,845
Receivables, net	123,268,645	121,773,497
Current tax assets	-	124,565
Loans, net	1,693,011,455	1,478,991,512
Investments accounted for using equity method	4,790,150	4,556,384
Other financial assets, net	5,966,372	1,249,418
Property and equipment, net	20,829,923	21,141,041
Right-of-use assets, net	2,004,016	2,168,411
Intangible assets, net	2,612,376	2,686,141
Deferred tax assets	2,202,347	1,229,949
Other assets, net	<u>16,606,561</u>	<u>22,015,809</u>
	<u>\$ 2,859,622,182</u>	<u>\$ 2,603,634,768</u>

(Continued)

	September 30	
	2024	2023 (Restated)
Liabilities		
Deposits from the Central Bank and banks	\$ 41,591,100	\$ 16,768,302
Financial liabilities at FVTPL	40,595,317	61,415,317
Securities sold under repurchase agreements	79,751,853	74,028,947
Payables	37,194,012	33,671,318
Current tax liabilities	1,370,048	1,067,621
Deposits and remittances	2,321,848,016	2,083,904,653
Bank notes payable	25,000,000	28,000,000
Other financial liabilities	101,039,693	110,964,225
Provisions	1,769,015	1,712,787
Lease liabilities	2,087,585	2,283,752
Deferred tax liabilities	58,511	58,607
Other liabilities	<u>6,623,958</u>	<u>7,166,816</u>
	<u>2,658,929,108</u>	<u>2,421,042,345</u>
Equity		
Share capital	98,709,186	93,262,546
Capital surplus	40,056,456	33,047,252
Retained earnings	63,022,046	58,159,817
Other equity	(1,094,614)	(4,240,418)
Equity attributable to former owner of business combination under common control	-	2,363,226
	<u>200,693,074</u>	<u>182,592,423</u>
	<u>\$ 2,859,622,182</u>	<u>\$ 2,603,634,768</u>

(Concluded)

b. Statements of comprehensive income (standalone)

	For the Nine Months Ended September 30	
	2024	2023 (Restated)
Interest income	\$ 58,575,556	\$ 49,178,394
Interest expense	<u>(37,646,861)</u>	<u>(30,715,236)</u>
Net interest income	20,928,695	18,463,158
Net income other than net interest income	<u>18,196,920</u>	<u>15,715,987</u>
Net revenue and gains	39,125,615	34,179,145
Bad debts expenses, commitment and guarantee liability provisions	(1,270,998)	(668,829)
Operating expenses	<u>(21,029,242)</u>	<u>(19,020,148)</u>
(Loss) income before income tax	16,825,375	14,490,168
Income tax expense	<u>(2,870,230)</u>	<u>(2,467,793)</u>
Net (loss) income	13,955,145	12,022,375
Other comprehensive income (loss)	<u>1,965,838</u>	<u>(23,682)</u>
Total comprehensive income (loss)	<u>\$ 15,920,983</u>	<u>\$ 11,998,693</u>
Basic earnings per share (dollar)	<u>\$1.44</u>	<u>\$1.32</u>
Diluted earnings per share (dollar)	<u>\$1.44</u>	<u>\$1.32</u>

c. Key financial and business highlights

1) Profitability

Item		For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023 (Restated)
Return on total assets	Pretax	0.61%	0.58%
	After tax	0.51%	0.48%
Return on net equity	Pretax	8.61%	8.23%
	After tax	7.14%	6.83%
Profit margin		35.67%	35.17%

Note a: Return on total assets = $\frac{\text{Income before (after) tax}}{\text{Average assets}}$

Note b: Return on net equity = $\frac{\text{Income before (after) tax}}{\text{Average net equity}}$

Note c: Profit margin = $\frac{\text{Income after tax}}{\text{Net revenue and gains}}$

Note d: Profitability presented above is cumulative from January 1 to September 30 of 2024 and 2023.

2) Asset quality

Non-performing loans and receivables

Item		September 30, 2024					September 30, 2023					
		Non-performing Loans (Note a)	Loans	Non-performing Loans Ratio (Note b)	Allowance For Loan Losses	Coverage Ratio (Note c)	Non-performing Loans (Note a)	Loans	Non-performing Loans Ratio (Note b)	Allowance For Loan Losses	Coverage Ratio (Note c)	
Corporate finance	Secured	\$ 464,915	\$ 345,208,709	0.13%	\$ 3,823,599	822.43%	\$ 467,241	\$ 316,110,001	0.15%	\$ 3,619,268	774.60%	
	Unsecured	334,688	427,102,793	0.08%	6,389,502	1,909.09%	815,816	332,426,712	0.25%	5,831,963	714.86%	
Consumer finance	Mortgage loans (Note d)	277,856	433,261,697	0.06%	6,484,224	2,333.66%	115,533	407,498,679	0.03%	6,103,138	5,282.59%	
	Cash cards	2,636	138,132	1.91%	32,299	1,225.30%	5,345	222,040	2.41%	41,630	778.86%	
	Credit loans (Note e)	356,984	109,122,807	0.33%	1,242,711	348.11%	222,185	93,729,967	0.24%	1,037,935	467.15%	
	Others (Note f)	Secured	698,017	392,219,958	0.18%	4,136,786	592.65%	256,696	345,264,564	0.07%	3,725,801	1,451.44%
		Unsecured	1,855	8,987,102	0.02%	92,887	5,007.39%	1,643	4,799,153	0.03%	50,455	3,070.91%
Subtotal		2,136,951	1,716,041,198	0.12%	22,202,008	1,038.96%	1,884,459	1,500,051,116	0.13%	20,410,190	1,083.08%	
Credit card		288,577	78,130,474	0.37%	778,064	269.62%	152,437	70,245,514	0.22%	702,120	460.60%	
Accounts receivable factoring with no recourse (Note g)		587,262	26,719,271	2.20%	820,964	139.80%	-	32,309,646	-	910,794	-	

Note a: Non-performing loans are in accordance with the Regulations of the Procedures for Banking Institutions to Evaluate Assets and Deal with Past Due/Non-performing Loans and Bad Debts issued by FSC. Non-performing loans of credit cards are defined in the Letter issued by the Banking Bureau on July 6, 2005 (Ref. No. Jin-Guan-Yin (4) 0944000378).

Note b: Non-performing loans ratio = Non-performing loans ÷ Loans
Non-performing loans of credit card ratio = Non-performing loans of credit cards ÷ Accounts receivable

Note c: Coverage ratio of allowances for loan losses = Allowances for loan losses ÷ Non-performing loans
Coverage ratio of allowance for loan losses of credit card = Allowance for loan losses of credit card ÷ Non-performing loans of credit cards

Note d: Mortgage loans are for applicants to build or repair the buildings owned by the applicants, their spouses or their minor children. These applicants provide their buildings as collaterals and assign the right on mortgage to financial institutions.

Note e: Credit loans are defined in the Letter issued by the Banking Bureau on December 19, 2005 (Ref. No. Jin-Guan-Yin (4) 09440010950), excluding credit loans of credit cards and cash cards.

Note f: The others of consumer financial business are defined as secured or unsecured consumer financial business excluding mortgage loans, cash cards, credit loans and credit cards.

Note g: In accordance with the Letter issued by the Banking Bureau on August 24, 2009 (Ref. No. Jin-Guan-Yin 09850003180), accounts receivable without recourse are classified as non-performing loans if not compensated by the factor or insurance company within three months.

Exempted from report as non-performing loans and receivables

Item	September 30, 2024		September 30, 2023	
	Exempted from Report as Non-performing Loans	Exempted from Report as Non-performing Receivables	Exempted from Report as Non-performing Loans	Exempted from Report as Non-performing Receivables
Business Type				
Amounts negotiated in accordance with the agreement (Note a)	\$ 69,343	\$ 25,323	\$ 109,357	\$ 39,628
Loans executed in accordance with debt clearing and renewal regulations (Note b)	1,668,232	1,009,168	1,698,633	1,049,265
Total	1,737,575	1,034,491	1,807,990	1,088,893

Note a: Disclosed in accordance with the Letter issued by the Banking Bureau on April 25, 2006 (Ref. No. FSC (1) 09510001270).

Note b: Disclosed in accordance with the letter issued by the Banking Bureau on September 15, 2008 (Ref. No. FSC (1) 09700318940) and September 20, 2016 (Ref. No. FSC 10500134790).

3) Concentration of credit risk

Year	September 30, 2024			September 30, 2023		
Rank (Note a)	Transaction Party (Note b)	Loans (Note c)	As Proportion of Net Equity	Transaction Party (Note b)	Loans (Note c)	As Proportion of Net Equity
1	A Group (manufacture of computers)	20,213,254	10.07%	B Group (wireless telecommunications)	14,179,538	7.87%
2	B Group (wireless telecommunications)	15,769,572	7.86%	D Group (manufacture of cement)	14,026,893	7.78%
3	C Group (other financial service not elsewhere classified)	13,296,477	6.63%	C Group (other financial service not elsewhere classified)	12,732,449	7.06%
4	D Group (other financial service not elsewhere classified)	12,496,135	6.23%	A Group (activities of other holding companies)	11,918,856	6.61%
5	E Group (manufacture of computers)	12,437,951	6.20%	I Group (real estate development)	10,580,000	5.87%
6	F Group (activities of other holding companies)	10,679,456	5.32%	F Group (activities of other holding companies)	9,979,393	5.54%
7	G Group (activities of finance and leasing companies)	10,371,805	5.17%	G Group (activities of finance and leasing companies)	9,646,757	5.35%
8	H Group (real estate development)	10,224,123	5.09%	K Group (rolling and extruding of iron and steel)	8,346,538	4.63%
9	I Group (real estate development)	10,056,000	5.01%	H Group (real estate development)	8,249,600	4.58%
10	J Group (manufacture of other computer peripheral equipment)	8,607,501	4.29%	J Group (manufacture of other computer peripheral equipment)	8,131,701	4.51%

Note a: Sorted by the balance of loans, excluding government or state-owned business. If borrowers belong to the same business group, the aggregated credit amount of the business group is disclosed, and code and industry additionally disclosed. If the borrower is a business group, the industry with the largest risk exposures in the business group is disclosed. The industry disclosure should follow the guidelines of Directorate-General of Budget, Accounting and Statistics.

Note b: Transaction party is in accordance with Article 6 of the Supplementary Provisions of the Taiwan Stock Exchange Corporation Criteria for Review of Securities Listings.

Note c: Loans include import and export bill negotiations, bills discounted, overdrafts, short-term loans, short-term secured loans, financing receivables, medium-term loans, medium-term secured loans, long-term loans, long-term secured loans, delinquent loans, inward remittances, factoring without recourse, acceptances, and guarantees.

4) Interest rate sensitivity

Item	September 30, 2024				
	1-90 Days	91-180 Days	181 Days-1 Year	More Than 1 Year	Total
Interest-sensitive assets	\$ 1,570,333,684	\$ 56,907,913	\$ 75,510,776	\$ 191,441,172	\$ 1,894,193,545
Interest-sensitive liabilities	626,757,987	126,202,114	140,082,181	886,347,968	1,779,390,250
Interest sensitivity gap	943,575,697	(69,294,201)	(64,571,405)	(694,906,796)	114,803,295
Net equity					199,792,423
Ratio of interest-sensitive assets to liabilities					106.45%
Ratio of interest sensitivity gap to net equity					57.46%

Item	September 30, 2023				
	1-90 Days	91-180 Days	181 Days-1 Year	More Than 1 Year	Total
Interest-sensitive assets	\$ 1,428,806,498	\$ 56,880,717	\$ 50,684,216	\$ 191,710,403	\$ 1,728,081,834
Interest-sensitive liabilities	546,200,840	113,055,172	133,463,328	809,362,750	1,602,082,090
Interest sensitivity gap	882,605,658	(56,174,455)	(82,779,112)	(617,652,347)	125,999,744
Net equity					182,649,397
Ratio of interest-sensitive assets to liabilities					107.86%
Ratio of interest sensitivity gap to net equity					68.98%

Note a: The amounts listed above include amounts in N.T. dollars only (i.e., excluding foreign currency) for both head office and domestic branches, excluding contingent assets and contingent liabilities.

Note b: Interest-sensitive assets and liabilities are interest-bearing assets and interest-bearing liabilities with income or cost affected by interest rate fluctuations.

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

Note d: Ratio of interest-sensitive assets to interest-sensitive liabilities (N.T. dollars only) = $\frac{\text{Interest-sensitive assets}}{\text{Interest-sensitive liabilities}}$

(In Thousands of U.S. Dollars)

Item	September 30, 2024				
	1-90 Days	91-180 Days	181 Days-1 Year	More Than 1 Year	Total
Interest-sensitive assets	\$ 13,642,241	\$ 3,692,954	\$ 2,205,109	\$ 3,860,168	\$ 23,400,472
Interest-sensitive liabilities	14,934,830	1,942,460	1,677,651	4,836,812	23,391,753
Interest sensitivity gap	(1,292,589)	1,750,494	527,458	(976,644)	8,719
Net equity					(16,407)
Ratio of interest-sensitive assets to liabilities					100.04%
Ratio of interest sensitivity gap to net equity					(53.14%)

(In Thousands of U.S. Dollars)

Item	September 30, 2023				
	1-90 Days	91-180 Days	181 Days-1 Year	More Than 1 Year	Total
Interest-sensitive assets	\$ 10,644,341	\$ 2,828,524	\$ 2,965,805	\$ 3,393,797	\$ 19,832,467
Interest-sensitive liabilities	11,653,307	2,052,647	1,769,511	4,111,246	19,586,711
Interest sensitivity gap	(1,008,966)	775,877	1,196,294	(717,449)	245,756
Net equity					(84,365)
Ratio of interest-sensitive assets to liabilities					101.25%
Ratio of interest sensitivity gap to net equity					(291.30%)

Note a: The amounts listed above include amounts in U.S. dollars only for domestic branches, OBU, and overseas branches, excluding contingent assets and contingent liabilities.

Note b: Interest-sensitive assets and liabilities are interest-bearing assets and interest-bearing liabilities with income or cost affected by interest rate fluctuations.

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

Note d: Ratio of interest-sensitive assets to interest-sensitive liabilities (U.S. dollars only) = $\frac{\text{Interest-sensitive assets}}{\text{Interest-sensitive liabilities}}$

5) Maturity analysis of assets and liabilities

	Total	September 30, 2024				
		Period Remaining until Due Date and Amount Due				
		0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	More Than 1 Year
Major maturity cash inflow	\$ 2,780,280,710	\$ 825,108,357	\$ 326,194,272	\$ 329,855,272	\$ 260,062,690	\$ 1,039,060,119
Major maturity cash outflow	3,408,662,134	427,839,228	463,719,526	504,885,256	607,481,940	1,404,736,184
Gap	(628,381,424)	397,269,129	(137,525,254)	(175,029,984)	(347,419,250)	(365,676,065)

	Total	September 30, 2023				
		Period Remaining until Due Date and Amount Due				
		0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	More Than 1 Year
Major maturity cash inflow	\$ 2,525,027,101	\$ 712,185,973	\$ 351,856,572	\$ 287,706,999	\$ 229,295,016	\$ 943,982,541
Major maturity cash outflow	3,119,921,773	408,603,501	422,544,700	396,086,156	583,843,626	1,308,843,790
Gap	(594,894,672)	303,582,472	(70,688,128)	(108,379,157)	(354,548,610)	(364,861,249)

Note: The amounts listed above include amounts in N.T. dollars only (i.e., excluding foreign currency) for both head office and domestic branches.

(In Thousands of U.S. Dollars)

	Total	September 30, 2024				
		Period Remaining until Due Date and Amount Due				
		0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	More Than 1 Year
Major maturity cash inflow	\$ 59,786,852	\$ 19,690,992	\$ 13,136,498	\$ 10,531,206	\$ 7,033,955	\$ 9,394,201
Major maturity cash outflow	59,617,028	19,777,697	15,473,763	11,256,726	7,330,331	5,778,511
Gap	169,824	(86,705)	(2,337,265)	(725,520)	(296,376)	3,615,690

(In Thousands of U.S. Dollars)

	Total	September 30, 2023				
		Period Remaining until Due Date and Amount Due				
		0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	More Than 1 Year
Major maturity cash inflow	\$ 63,467,405	\$ 17,444,215	\$ 16,308,610	\$ 12,695,746	\$ 9,673,135	\$ 7,345,699
Major maturity cash outflow	63,323,178	16,444,855	18,863,910	13,544,610	8,879,475	5,590,328
Gap	144,227	999,360	(2,555,300)	(848,864)	793,660	1,755,371

Note: The amounts listed above include amounts in U.S. dollars for head office, domestic branches, and OBU.

Taishin Life Insurance

a. Balance sheets

	September 30	
	2024	2023
Assets		
Cash and cash equivalents	\$ 5,659,295	\$ 3,712,871
Receivables	3,290,036	2,991,743
Current tax assets	54,950	120,303
Financial assets at FVTPL	35,909,283	27,170,856
Financial assets at FVTOCI	40,637	43,590
Investments in debt instruments at amortized cost	203,659,655	189,731,504
Investments accounted for using equity method	434,923	420,024
Investment properties	3,708,454	2,046,087
Loans	7,958,589	7,450,452
Reinsurance contract assets	649,217	557,784
Property and equipment	2,008,790	1,975,686
Right-of-use assets	30,411	60,390
Intangible assets	309,107	238,682
Deferred tax assets	501,026	562,461
Other assets	1,735,607	1,473,909
Separate account insurance product assets	<u>42,195,437</u>	<u>32,355,816</u>
	<u>\$ 308,145,417</u>	<u>\$ 270,912,158</u>
Liabilities		
Payables	\$ 2,554,526	\$ 1,943,648
Current tax liabilities	-	3,611
Financial liabilities at FVTPL	443,969	1,059,048
Lease liabilities	27,079	57,584
Insurance liabilities	237,238,730	215,370,109
Reserve for insurance contracts with the nature of financial products	1,558	1,666
Reserve for foreign exchange valuation	664,717	898,410
Provisions	117,370	126,248
Deferred tax liabilities	591,528	803,886
Other liabilities	859,439	621,696
Separate account insurance product liabilities	<u>42,195,437</u>	<u>32,355,816</u>
	<u>284,694,353</u>	<u>253,241,722</u>
Equity		
Share capital	11,039,560	9,378,059
Capital surplus	4,363,636	2,727,273
Retained earnings	7,897,998	7,188,808
Other equity	<u>149,870</u>	<u>(1,623,704)</u>
	<u>23,451,064</u>	<u>17,670,436</u>
	<u>\$ 308,145,417</u>	<u>\$ 270,912,158</u>

b. Statements of comprehensive income

	For the Nine Months Ended September 30	
	2024	2023
Operating revenue	\$ 40,288,326	\$ 28,259,024
Operating cost	(36,683,573)	(25,475,255)
Operating expenses	<u>(1,983,830)</u>	<u>(1,679,953)</u>
Operating (loss) income	1,620,923	1,103,816
Non-operating income and expenses	<u>103,727</u>	<u>162</u>
(Loss) income before income tax	1,724,650	1,103,978
Income tax benefit (expense)	<u>165,798</u>	<u>(10,648)</u>
Net (loss) income	1,890,448	1,093,330
Other comprehensive income (loss)	<u>(141,803)</u>	<u>1,937,086</u>
Total comprehensive income (loss)	<u>\$ 1,748,645</u>	<u>\$ 3,030,416</u>
Basic earnings per share (dollar)	<u>\$1.77</u>	<u>\$1.13</u>
Diluted earnings per share (dollar)	<u>\$1.77</u>	<u>\$1.13</u>

c. Profitability

Item		For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Return on total assets	Pretax	0.59%	0.43%
	After tax	0.65%	0.42%
Return on net equity	Pretax	8.18%	6.83%
	After tax	8.97%	6.77%
Profit margin		4.68%	3.87%

Note a: Return on total assets = $\frac{\text{Income before (after) tax}}{\text{Average assets}}$

Note b: Return on net equity = $\frac{\text{Income before (after) tax}}{\text{Average net equity}}$

Note c: Profit margin = $\frac{\text{Income after tax}}{\text{Operating income} + \text{Non-operating income}}$

Note d: Profitability presented above is cumulative from January 1 to September 30 of 2024 and 2023.

Taishin Securities B

a. Balance sheets (standalone)

	September 30	
	2024	2023
Assets		
Current assets	\$ 62,536,988	\$ 45,255,477
Financial assets at FVTPL - non-current	230,486	160,134
Financial assets at FVTOCI - non-current	5,080,155	5,330,101
Investments accounted for using equity method	1,406,351	576,026
Property and equipment	816,449	815,908
Right-of-use assets	194,840	152,136
Investment properties	96,250	122,534
Intangible assets	179,805	169,854
Deferred tax assets	9,498	13,014
Other non-current assets	<u>604,938</u>	<u>510,535</u>
	<u>\$ 71,155,760</u>	<u>\$ 53,105,719</u>
Liabilities		
Current liabilities	\$ 56,068,022	\$ 39,309,874
Other non-current liabilities	<u>3,491,142</u>	<u>3,483,319</u>
	<u>59,559,164</u>	<u>42,793,193</u>
Equity		
Share capital	6,924,125	6,924,125
Capital surplus	895,825	895,825
Retained earnings	3,869,653	2,645,927
Other equity	<u>(93,007)</u>	<u>(153,351)</u>
	<u>11,596,596</u>	<u>10,312,526</u>
	<u>\$ 71,155,760</u>	<u>\$ 53,105,719</u>

b. Statements of comprehensive income (standalone)

	For the Nine Months Ended September 30	
	2024	2023
Revenue	\$ 5,299,315	\$ 3,999,825
Expenses	(3,220,809)	(2,820,413)
Non-operating income and expenses	<u>145,186</u>	<u>41,735</u>
(Loss) income before income tax	2,223,692	1,221,147
Income tax expense	<u>(273,594)</u>	<u>(110,166)</u>
Net (loss) income	1,950,098	1,110,981
Other comprehensive income (loss)	<u>(27,326)</u>	<u>(1,241)</u>
Total comprehensive income (loss)	<u>\$ 1,922,772</u>	<u>\$ 1,109,740</u>
Basic earnings per share (dollar)	<u>\$2.82</u>	<u>\$1.60</u>

c. Profitability

Item		For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
		Return on total assets	Pretax
	After tax	2.98%	2.22%
Return on net equity	Pretax	19.81%	12.34%
	After tax	17.37%	11.23%
Profit margin		36.80%	27.78%

Note a: Return on total assets = $\frac{\text{Income before (after) tax}}{\text{Average assets}}$

Note b: Return on net equity = $\frac{\text{Income before (after) tax}}{\text{Average net equity}}$

Note c: Profit margin = $\frac{\text{Income after tax}}{\text{Revenue}}$

Note d: Profitability presented above is cumulative from January 1 to September 30 of 2024 and 2023.

Taishin AMC

a. Balance sheets

	<u>September 30</u>	
	2024	2023
Assets		
Current assets	\$ 292,366	\$ 15,428
Financial assets at FVTOCI - non-current	331,925	343,452
Investments accounted for using equity method	143,766	141,715
Property and equipment	167,427	170,129
Investment properties	814,378	821,361
Deferred tax assets	3,065	17,701
Right-of-use asset	-	308
Other non-current assets	<u>259,623</u>	<u>213,726</u>
	<u>\$ 2,012,550</u>	<u>\$ 1,723,820</u>
Liabilities		
Current liabilities	\$ 550,545	\$ 247,909
Other non-current liabilities	<u>3,492</u>	<u>4,063</u>
	<u>554,037</u>	<u>251,972</u>
Equity		
Share capital	671,000	671,000
Capital surplus	4,141	4,141
Retained earnings	582,257	584,113
Other equity	<u>201,115</u>	<u>212,594</u>
	<u>1,458,513</u>	<u>1,471,848</u>
	<u>\$ 2,012,550</u>	<u>\$ 1,723,820</u>

b. Statements of comprehensive income

	For the Nine Months Ended September 30	
	2024	2023
Operating revenue	\$ 303,777	\$ 157,966
Operating cost and expenses	<u>(100,835)</u>	<u>(83,034)</u>
Operating (loss) income	202,942	74,932
Non-operating income	9,213	145,294
Non-operating expenses	<u>(4,456)</u>	<u>(755)</u>
(Loss) income before income tax	207,699	219,471
Income tax expense	<u>(27,049)</u>	<u>(24,573)</u>
Net (loss) income	180,650	194,898
Other comprehensive income (loss)	<u>(52,100)</u>	<u>(129,298)</u>
Total comprehensive income (loss)	<u>\$ 128,550</u>	<u>\$ 65,600</u>
Basic earnings per share (dollar)	<u>\$2.69</u>	<u>\$2.90</u>

c. Profitability

Item		For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Return on total assets	Pretax	11.00%	11.79%
	After tax	9.57%	10.47%
Return on net equity	Pretax	13.88%	13.57%
	After tax	12.08%	12.05%
Profit margin		57.72%	64.27%

Note a: Return on total assets = $\frac{\text{Income before (after) tax}}{\text{Average assets}}$

Note b: Return on net equity = $\frac{\text{Income before (after) tax}}{\text{Average net equity}}$

Note c: Profit margin = $\frac{\text{Income after tax}}{\text{Operating income} + \text{Non-operating income}}$

Note d: Profitability presented above is cumulative from January 1 to September 30 of 2024 and 2023.

Taishin Venture Capital Investment

a. Balance sheets

	September 30	
	2024	2023
Assets		
Current assets	\$ 333,199	\$ 255,142
Financial assets at FVTPL - non-current	5,058,427	5,134,580
Investments accounted for using equity method	28,896	2,409,439
Property and equipment	1,096	54
Right-of-use assets	2,582	4,404
Other non-current assets	<u>481</u>	<u>481</u>
	<u>\$ 5,424,681</u>	<u>\$ 7,804,100</u>
Liabilities		
Current liabilities	\$ 7,076	\$ 11,065
Other non-current liabilities	<u>778</u>	<u>2,641</u>
	<u>7,854</u>	<u>13,706</u>
Equity		
Share capital	7,140,927	9,197,040
Capital surplus	-	871
Retained earnings	(1,724,100)	(1,270,628)
Other equity	<u>-</u>	<u>(136,889)</u>
	<u>5,416,827</u>	<u>7,790,394</u>
	<u>\$ 5,424,681</u>	<u>\$ 7,804,100</u>

b. Statements of comprehensive income

	For the Nine Months Ended September 30	
	2024	2023
Revenue	\$ 20,509	\$ 29,936
Expenses and losses	<u>(732,705)</u>	<u>(1,855,325)</u>
(Loss) income before income tax	(712,196)	(1,825,389)
Income tax expense	<u>-</u>	<u>(169)</u>
Net (loss) income	(712,196)	(1,825,558)
Other comprehensive income (loss)	<u>-</u>	<u>1,125</u>
Total comprehensive income (loss)	<u>\$ (712,196)</u>	<u>\$ (1,824,433)</u>
Basic earnings per share (dollar)	<u>\$(1.02)</u>	<u>\$(1.98)</u>

c. Profitability

Item		For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Return on total assets	Pretax	(10.45%)	(20.91%)
	After tax	(10.45%)	(20.92%)
Return on net equity	Pretax	(10.47%)	(20.98%)
	After tax	(10.47%)	(20.98%)
Profit margin		(3,472.60%)	(6,098.20%)

Note a: Return on total assets = $\frac{\text{Income before (after) tax}}{\text{Average assets}}$

Note b: Return on net equity = $\frac{\text{Income before (after) tax}}{\text{Average net equity}}$

Note c: Profit margin = $\frac{\text{Income after tax}}{\text{Revenue}}$

Note d: Profitability presented above is cumulative from January 1 to September 30 of 2024 and 2023.

Taishin Securities Investment Trust

a. Balance sheets

	<u>September 30</u>	
	2024	2023
Assets		
Current assets	\$ 735,448	\$ 573,496
Financial assets at FVTOCI - non-current	3,262	2,925
Property and equipment	5,401	4,831
Goodwill	410,930	410,930
Right-of-use assets	26,164	4,836
Intangible assets	3,696	3,058
Other non-current assets	33	-
	<u>203,361</u>	<u>205,111</u>
	<u>\$ 1,388,295</u>	<u>\$ 1,205,187</u>
Liabilities		
Current liabilities	\$ 202,650	\$ 136,222
Other non-current liabilities	<u>15,769</u>	<u>2,995</u>
	<u>218,419</u>	<u>139,217</u>
Equity		
Share capital	831,350	831,350
Capital surplus	47,856	47,856
Retained earnings	290,409	186,839
Other equity	<u>261</u>	<u>(75)</u>
	<u>1,169,876</u>	<u>1,065,970</u>
	<u>\$ 1,388,295</u>	<u>\$ 1,205,187</u>

b. Statements of comprehensive income

	For the Nine Months Ended September 30	
	2024	2023
Operating revenue	\$ 718,125	\$ 566,539
Operating expenses	<u>(487,578)</u>	<u>(435,485)</u>
Operating (loss) income	230,547	131,054
Non-operating income	22,159	13,104
Non-operating expenses	<u>(302)</u>	<u>(128)</u>
(Loss) income before income tax	252,404	144,030
Income tax expense	<u>(46,901)</u>	<u>(26,969)</u>
Net (loss) income	205,503	117,061
Other comprehensive income (loss)	<u>205</u>	<u>79</u>
Total comprehensive income (loss)	<u>\$ 205,708</u>	<u>\$ 117,140</u>
Basic earnings per share (dollar)	<u>\$2.47</u>	<u>\$1.41</u>

c. Profitability

Item		For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Return on total assets	Pretax	18.64%	11.50%
	After tax	15.18%	9.35%
Return on net equity	Pretax	22.22%	13.31%
	After tax	18.09%	10.82%
Profit margin		27.76%	20.20%

Note a: Return on total assets =
$$\frac{\text{Income before (after) tax}}{\text{Average assets}}$$

Note b: Return on net equity =
$$\frac{\text{Income before (after) tax}}{\text{Average net equity}}$$

Note c: Profit margin =
$$\frac{\text{Income after tax}}{\text{Operating income} + \text{Non-operating income}}$$

Note d: Profitability presented above is cumulative from January 1 to September 30 of 2024 and 2023.

Taishin Securities Investment Advisory

a. Balance sheets

	September 30	
	2024	2023
Assets		
Current assets	\$ 349,784	\$ 357,257
Property and equipment	1,786	1,869
Right-of-use assets	8,121	15,618
Deferred tax assets	707	668
Other non-current assets	<u>6,887</u>	<u>6,887</u>
	<u>\$ 367,285</u>	<u>\$ 382,299</u>
Liabilities		
Current liabilities	\$ 28,293	\$ 23,243
Other non-current liabilities	<u>4,705</u>	<u>20,392</u>
	<u>32,998</u>	<u>43,635</u>
Equity		
Share capital	300,000	300,000
Capital surplus	25,663	25,663
Retained earnings	<u>8,624</u>	<u>13,001</u>
	<u>334,287</u>	<u>338,664</u>
	<u>\$ 367,285</u>	<u>\$ 382,299</u>

b. Statements of comprehensive income

	For the Nine Months Ended September 30	
	2024	2023
Operating revenue	\$ 87,409	\$ 87,204
Operating expenses	<u>(88,368)</u>	<u>(82,076)</u>
Operating (loss) income	(959)	5,128
Non-operating income	10,611	10,494
Non-operating expenses	<u>(1,472)</u>	<u>(178)</u>
(Loss) income before income tax	8,180	15,444
Income tax expense	<u>(1,605)</u>	<u>(3,060)</u>
Net (loss) income	6,575	12,384
Other comprehensive income (loss)	<u>-</u>	<u>-</u>
Total comprehensive income (loss)	<u>\$ 6,575</u>	<u>\$ 12,384</u>
Basic earnings per share (dollar)	<u>\$0.22</u>	<u>\$0.41</u>

c. Profitability

Item		For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
		Return on total assets	Pretax
	After tax	1.75%	3.22%
Return on net equity	Pretax	2.42%	4.61%
	After tax	1.95%	3.69%
Profit margin		6.71%	12.68%

Note a: Return on total assets = $\frac{\text{Income before (after) tax}}{\text{Average assets}}$

Note b: Return on net equity = $\frac{\text{Income before (after) tax}}{\text{Average net equity}}$

Note c: Profit margin = $\frac{\text{Income after tax}}{\text{Operating income} + \text{Non-operating income}}$

Note d: Profitability presented above is cumulative from January 1 to September 30 of 2024 and 2023.

54. SIGNIFICANT FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

Taishin Bank

(Foreign Currencies/New Taiwan Dollars In Thousands)

	September 30, 2024		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>			
Monetary items			
AUD	\$ 2,486,438	21.95	\$ 54,566,689
CAD	49,214	23.43	1,153,209
CHF	61,631	37.57	2,315,769
RMB	9,408,953	4.53	42,590,388
EUR	399,155	35.40	14,130,997
GBP	27,462	42.43	1,165,290
HKD	4,900,397	4.08	19,982,176
JPY	121,054,812	0.22	26,916,174
SGD	158,305	24.73	3,914,675
USD	18,621,888	31.67	589,755,208
ZAR	1,701,343	1.85	3,149,964
Non-monetary items			
USD	81,551	31.67	2,582,711

(Continued)

September 30, 2024

	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Financial liabilities</u>			
Monetary items			
AUD	\$ 807,623	21.95	\$ 17,723,878
CAD	50,299	23.43	1,178,613
RMB	9,576,968	4.53	43,350,921
EUR	391,190	35.40	13,849,025
GBP	82,646	42.43	3,506,927
HKD	4,602,959	4.08	18,769,325
JPY	182,033,348	0.22	40,474,569
NZD	49,621	20.15	999,698
USD	21,458,047	31.67	679,576,362
ZAR	4,020,397	1.85	7,443,593
Non-monetary items			
AUD	495,315	21.95	10,870,052
USD	363,856	31.67	11,523,312
<u>Derivative instruments</u>			
Financial assets			
AUD	252,893	21.95	5,549,926
CAD	1,244,971	23.43	29,172,611
CHF	310	37.57	11,648
RMB	47,864,296	4.53	216,661,611
EUR	102,978	35.40	3,645,666
GBP	79,227	42.43	3,361,832
HKD	1,984,303	4.08	8,091,321
JPY	75,474,420	0.22	16,781,511
NZD	14,671	20.15	295,571
SGD	9,678	24.73	239,315
USD	19,174,570	31.67	607,258,639
ZAR	3,083,599	1.85	5,709,152
Financial liabilities			
AUD	1,435,828	21.95	31,510,280
CAD	1,238,741	23.43	29,026,629
CHF	59,520	37.57	2,236,474
RMB	47,820,282	4.53	216,462,379
EUR	105,681	35.40	3,741,363
HKD	2,482,026	4.08	10,120,872
JPY	15,255,213	0.22	3,391,951
SGD	148,350	24.73	3,668,499
USD	16,362,661	31.67	518,205,474
ZAR	760,804	1.85	1,408,596

(Concluded)

December 31, 2023

	Foreign Currency	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>			
Monetary items			
AUD	\$ 2,137,916	20.99	\$ 44,881,303
CAD	47,616	23.20	1,104,833
CHF	48,745	36.53	1,780,745
RMB	8,701,751	4.33	37,662,934
EUR	370,135	34.00	12,584,184
GBP	35,981	39.17	1,409,363
HKD	4,146,567	3.93	16,301,259
JPY	109,402,427	0.22	23,766,255
SGD	190,976	23.30	4,450,058
USD	17,164,556	30.71	527,192,179
ZAR	1,038,948	1.66	1,721,970
Non-monetary items			
USD	330,463	30.71	10,149,853
<u>Financial liabilities</u>			
Monetary items			
AUD	824,083	20.99	17,299,991
CAD	62,799	23.20	1,457,125
RMB	11,408,705	4.33	49,379,179
EUR	518,555	34.00	17,630,296
GBP	103,716	39.17	4,062,496
HKD	3,656,755	3.93	14,375,678
JPY	150,809,741	0.22	32,761,456
NZD	51,941	19.49	1,012,221
USD	19,544,053	30.71	600,276,047
ZAR	3,854,740	1.66	6,388,912
Non-monetary items			
AUD	94,565	20.99	1,985,215
USD	364,775	30.71	11,203,710
<u>Derivative instruments</u>			
Financial assets			
AUD	643,552	20.99	13,510,102
CAD	1,149,068	23.20	26,661,985
CHF	30,211	36.53	1,103,656
RMB	56,560,687	4.33	244,806,077
EUR	888,860	34.00	30,220,241
GBP	75,628	39.17	2,962,315
HKD	463	3.93	1,820
JPY	60,809,388	0.22	13,210,049
SGD	223,391	23.30	5,205,399
USD	27,530,764	30.71	845,579,892
ZAR	3,448,268	1.66	5,715,219

(Continued)

	December 31, 2023		
	Foreign Currency	Exchange Rate	New Taiwan Dollars
Financial liabilities			
AUD	\$ 1,871,571	20.99	\$ 39,289,936
CAD	1,134,131	23.20	26,315,404
CHF	74,467	36.53	2,720,415
RMB	53,954,402	4.33	233,525,550
EUR	744,064	34.00	25,297,325
HKD	801,385	3.93	3,150,459
JPY	19,140,460	0.22	4,158,016
SGD	378,491	23.30	8,819,499
USD	25,352,498	30.71	778,676,631
ZAR	633,530	1.66	1,050,023
			(Concluded)

	September 30, 2023		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars
Financial assets			
Monetary items			
AUD	\$ 2,032,123	20.56	\$ 41,770,740
CAD	102,046	23.89	2,438,080
CHF	25,584	35.06	896,884
RMB	10,323,367	4.42	45,591,973
EUR	386,373	33.92	13,104,832
GBP	35,452	39.23	1,390,902
HKD	4,532,528	4.13	18,698,884
JPY	99,210,396	0.22	21,444,922
SGD	208,476	23.53	4,906,466
USD	15,577,138	32.28	502,892,310
ZAR	1,097,365	1.68	1,844,156
Non-monetary items			
USD	288,172	32.28	9,303,346

	September 30, 2023		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars
Financial liabilities			
Monetary items			
AUD	832,848	20.56	17,119,371
CAD	55,017	23.89	1,314,473
RMB	10,857,161	4.42	47,949,413
EUR	444,455	33.92	15,074,849
GBP	104,378	39.23	4,095,076
HKD	4,140,646	4.13	17,082,180
JPY	135,046,956	0.22	29,191,210
NZD	64,736	19.16	1,240,592
USD	18,968,744	32.28	612,386,938
ZAR	3,802,232	1.68	6,389,769
Non-monetary items			
AUD	94,500	20.56	1,942,466
USD	308,851	32.28	9,970,930
			(Continued)

September 30, 2023

	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Derivative instruments</u>			
Financial assets			
AUD	\$ 770,784	20.56	\$ 15,843,634
CAD	73,971	23.89	1,767,313
CHF	11,382	35.06	399,026
RMB	98,555,110	4.42	435,257,410
EUR	250,958	33.92	8,511,890
GBP	87,197	39.23	3,420,999
HKD	124,740	4.13	514,612
JPY	95,726,590	0.22	20,691,877
NZD	58,368	19.16	1,118,547
SGD	90,176	23.53	2,122,289
USD	39,306,505	32.28	1,268,971,209
ZAR	3,058,277	1.68	5,139,529
Financial liabilities			
AUD	1,885,854	20.56	38,764,143
CAD	120,790	23.89	2,885,915
CHF	35,788	35.06	1,254,629
RMB	97,983,379	4.42	432,732,425
EUR	192,752	33.92	6,537,681
HKD	815,422	4.13	3,364,012
JPY	59,106,415	0.22	12,776,206
SGD	270,865	23.53	6,374,777
USD	36,447,009	32.28	1,176,655,243
ZAR	359,389	1.68	603,964
			(Concluded)

55. BUSINESS OR TRANSACTION ACTIVITIES, JOINT BUSINESS PROMOTION ACTIVITIES, INTERACTIVE USE OF INFORMATION, OR SHARING OF BUSINESS EQUIPMENT OR PREMISES WITH VARIOUS SUBSIDIARIES OF FINANCIAL HOLDING COMPANIES, AND THE METHOD OF APPORTIONING REVENUE, COSTS, EXPENSES, AND PROFITS AND LOSSES

- a. Please refer to Table 8 for the major business or transactions between Taishin Financial Holding and its subsidiaries.
- b. Joint business promotion activities

In order to provide customers with diversified and convenient financial services to meet their needs, further improve the performance of each subsidiary, and create the best synergy, Taishin Financial Holding and its subsidiaries actively use the resources of each subsidiary to integrate the marketing mechanism through financial holdings, assist each other in the cross-selling business, and fully demonstrate the advantages of complementary channels.

c. Interactive use of information

In accordance with the “Financial Holding Company Act”, “Administrative Measures for Joint Marketing Between Subsidiaries of Financial Holding Companies”, “Personal Data Protection Act” and relevant letters and orders issued by the FSC, the Company and its subsidiaries that conduct joint marketing, and subsidiaries of mutual use have signed the “Joint Customer Information Confidentiality Agreement”, and announced “Joint Marketing Customer Information Confidentiality Measures” on its website and business offices to maintain the confidentiality of customer information or limit its use, and provide a customer exit mechanism in a legal and safe environment.

d. Sharing of business equipment or premises

In order to provide the most suitable products and one-stop shopping services, and to conduct joint marketing business within the scope approved by laws and regulations, customers can conduct related businesses at the business offices of Taishin Bank, Taishin Securities B and Taishin Life Insurance, the Company’s subsidiaries.

e. The method of apportioning revenue, costs, expenses, and profits and losses

In order to expand the economic scale and utilize the benefits of the Group’s resources, Taishin Financial Holding and its subsidiaries will jointly promote the business or share part of the business equipment and premises. Their income and expense allocation methods are directly attributable to the subsidiaries according to the nature of the business, or appropriately apportioned to the respective companies.

56. OTHER ITEMS

The Company’s board of directors approved the merger with Shin Kong Financial Holding on August 22, 2024. Following the completion of the merger, the Company will be the surviving company and Shin Kong Financial Holding will be dissolved. The merger is executed through issuing new shares (including common shares and preferred shares) by the Company, exchanging 0.6720 common shares and 0.175 “Class H Preferred Shares” of the Company for each common share of Shin Kong Financial Holding, one “Series G Preferred Share I” of the Company for each “Series A Preferred Share” of Shin Kong Financial Holding and one “Series G Preferred Share II” of the Company for each “Series B Preferred Share” of Shin Kong Financial Holding. The Company approved the merger during its special shareholders’ meeting on October 9, 2024. The merger is pending approval from the Financial Supervisory Commission, after which the effective merger date will be determined.

57. DISCLOSURES UNDER STATUTORY REQUIREMENTS

- a. Information to be disclosed according to Article 22 of the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies is as follows:

- 1) Material transactions are summarized as follows:

No.	Item	Explanation
1	Securities of Taishin Financial Holding's investees acquired or disposed of at costs or prices of at least NT\$300 million or 10% of the paid-in capital	None
2	Acquisition or disposal of individual real estate at costs of at least NT\$300 million or 10% of the paid-in capital	Table 4
3	Discounts of service charges for related parties amounting to at least \$5 million	None
4	Receivables from related parties amounting to at least NT\$300 million or 10% of the paid-in capital	Table 5
5	Sales of NPL from subsidiaries	Table 6
6	Authorities securitized instruments and related assets which are in accordance with the Statute for Financial Assets Securitization and the Statute for Real Estate Securitization	None
7	Other transactions that may have significant impact on the decision made by the financial statement users	None

- 2) Information on Taishin Financial Holding's subsidiaries:

No.	Item	Explanation
1	Financings provided to others	Table 1 (Note)
2	Endorsements/guarantees provided	Table 2 (Note)
3	Marketable securities held	Table 3 (Note)
4	Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 10% of the paid-in capital	Note
5	Derivative transactions of investees	Notes 9 and 46

Note: None, or not required to disclose No. 1 to 4 if the investee is a bank, insurance or security company.

- 3) Names, locations, and related information of investees: Not applicable for review.
- 4) Information of investment in mainland China, significant commitments and contingencies, significant losses and subsequent events is summarized as follows:

No.	Item	Explanation
1	Information of investment in mainland China	Table 7
2	Significant commitments and contingencies	Note 49
3	Significant losses	None
4	Subsequent events	None

- 5) Information on major shareholders: The names, numbers of shares held, and shareholding percentages of shareholders who hold 5% or more of the Company's equity: None.

- b. The business relationship and material transactions in consolidation

According to the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, a company should disclose business relationships and material transactions in consolidation. Please refer to Table 8.

58. SEGMENT INFORMATION

a. General information

The report of Taishin Financial Holding and its subsidiaries is the same as the report for internal use of policy makers. Main policy makers distribute the resources to the operation department and evaluate its efficiency. Taishin Financial Holding's main policy makers are the board of directors.

Interdepartmental transactions are normal transactions. Taishin Financial Holding consolidates all its subsidiaries and writes off interdepartmental transaction gains and losses. The subsidiaries evaluate their own operation efficiency.

The operation departments of Taishin Financial Holding are subsidiaries of bank business, securities business, insurance business and other business, respectively. The board of directors, the main policy maker, reviews company operation result, distributes resources, and evaluates operation efficiency.

For the Nine Months Ended September 30, 2024								
	Taishin Bank (Retail Banking Group)	Taishin Bank (Wholesale Banking Group)	Taishin Bank (Financial and Financial Market Group)	Taishin Securities B Consolidated	Taishin Life Insurance	Others	Adjustments and Eliminations	Total
Net interest income (expense)	\$ 12,067,513	\$ 9,919,369	\$ (1,086,907)	\$ 271,787	\$ 4,934,624	\$ 684,392	\$ (879,679)	\$ 25,911,099
Net income other than net interest income	10,256,808	1,667,462	5,671,744	4,414,207	17,327,658	18,534,074	(17,613,243)	40,258,710
Net revenue and gains	22,324,321	11,586,831	4,584,837	4,685,994	22,262,282	19,218,466	(18,492,922)	66,169,809
Reversal of bad debt expenses, commitments and guarantee liabilities (provision)	(833,248)	(471,387)	33,637	26	578	(212,119)	-	(1,482,513)
Net changes in insurance liability reserve	-	-	-	-	(18,536,105)	-	690,206	(17,845,899)
Operating expenses	(13,087,635)	(3,045,351)	(2,242,195)	(2,462,328)	(2,002,105)	(4,669,469)	421,999	(27,087,084)
Income (loss) before income tax	\$ 8,403,438	\$ 8,070,093	\$ 2,376,279	\$ 2,223,692	\$ 1,724,650	\$ 14,336,878	\$ (17,380,717)	\$ 19,754,313
Total assets	\$ 965,771,671	\$ 782,090,361	\$ 782,802,527	\$ 75,145,779	\$ 308,145,417	\$ 640,121,565	\$ (253,660,048)	\$ 3,300,417,272

For the Nine Months Ended September 30, 2023								
	Taishin Bank (Retail Banking Group)	Taishin Bank (Wholesale Banking Group)	Taishin Bank (Financial and Financial Market Group)	Taishin Securities B Consolidated	Taishin Life Insurance	Others	Adjustments and Eliminations	Total
Net interest income (expense)	\$ 10,883,391	\$ 9,052,515	\$ (1,538,673)	\$ 129,982	\$ 4,174,288	\$ 761,928	\$ (933,534)	\$ 22,529,897
Net income other than net interest income	8,279,898	1,324,978	5,352,621	3,156,297	12,388,603	12,954,348	(12,775,084)	30,681,661
Net revenue and gains	19,163,289	10,377,493	3,813,948	3,286,279	16,562,891	13,716,276	(13,708,618)	53,211,558
Reversal of bad debt expenses, commitments and guarantee liabilities (provision)	(303,002)	(282,767)	(60)	(1,077)	218	(480,396)	-	(1,067,084)
Net changes in insurance liability reserve	-	-	-	-	(13,767,070)	-	700,949	(13,066,121)
Operating expenses	(11,605,616)	(2,671,215)	(2,305,444)	(2,064,055)	(1,692,061)	(4,188,351)	303,303	(24,223,439)
Income (loss) before income tax	\$ 7,254,671	\$ 7,423,511	\$ 1,508,444	\$ 1,221,147	\$ 1,103,978	\$ 9,047,529	\$ (12,704,366)	\$ 14,854,914
Total assets	\$ 877,090,618	\$ 666,098,743	\$ 816,048,228	\$ 55,159,086	\$ 270,912,158	\$ 536,571,054	\$ (277,616,863)	\$ 2,989,263,024

b. Financial information by region

The operating income of the Group's overseas departments is not over 10% of the Group's consolidated operating income. In addition, their assets are not over 10% of the Group's consolidated total assets either. Thus, no financial information by region is required.

c. Information of important customers

The Group does not have major customers contributing more than 10% of net revenue and gains to the Group's consolidated statements of comprehensive income.

TAISHIN FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

FINANCINGS PROVIDED TO OTHERS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Lender	Borrower	Financial Statement Account (Note 2)	Related Parties	Maximum Balance for the Period (Note 3)	Ending Balance (Note 8)	Amount Actually Drawn	Interest Rate (%)	Financing Type (Note 4)	Transaction Amount (Note 5)	Financing Reasons (Note 6)	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrowing Company (Note 7)	Financing Company's Financing Amount Limit (Note 7)
													Item	Value		
1	Taishin AMC	Xu O Zhen	Long-term receivables - advance payment	No	\$ 133,333	\$ 133,333	\$ 80,000	1-10	Business transaction	\$ 80,000	Advance payment of urban renewal	\$ -	Land and buildings	\$ 252,200	\$ 670,983	\$ 9,393,765
1	Taishin AMC	Chen O Ming	Long-term receivables - advance payment	No	133,333	133,333	80,000	1-10	Business transaction	80,000	Advance payment of urban renewal	-	Land and buildings	252,200	670,983	9,393,765
1	Taishin AMC	Zhuang O Xiang	Long-term receivables - advance payment	No	66,667	66,667	40,000	1-10	Business transaction	40,000	Advance payment of urban renewal	-	Land and buildings	126,100	670,983	9,393,765
1	Taishin AMC	Zhuang O Ming	Long-term receivables - advance payment	No	66,667	66,667	40,000	1-10	Business transaction	40,000	Advance payment of urban renewal	-	Land and buildings	126,100	670,983	9,393,765
1	Taishin AMC	King Want Co., Ltd.	Long-term receivables - advance payment	No	350,000	350,000	245,740	1-10	Business transaction	245,740	Advance payment of urban renewal	-	-	-	670,983	9,393,765
1	Taishin AMC	Teng Jun Construction Co., Ltd.	Long-term receivables - advance payment	No	46,000	46,000	21,461	1-10	Business transaction	21,461	Advance payment of urban renewal	-	-	-	670,983	9,393,765
2	Taishin D.A. Finance	Yongjia Management Consulting Co., Ltd.	Accounts receivable	No	20,000	20,000	12,484	2-10	Short-term financing	-	Business turnover	125	Guarantee deposits, land and buildings	5,000	439,918	4,399,180

Note 1: Column is numbered as follows:

- a. Parent: 0.
- b. Subsidiaries are numbered starting from 1.

Note 2: If receivables from related companies, receivables from related parties, contracts between shareholders, advance payments, payment on behalf, etc. have financing type, they should fill into this column.

Note 3: The maximum balance of financings provided in the current year.

Note 4: The financing type column should be business transaction or short-term financing.

Note 5: If the financing type is a business transaction, the amount of business transaction should be filled. The amount of business transaction refers to the amount between the lender and the borrower in the recent year.

Note 6: If the financing type is a short-term financing, the reason for the financing and the use of the financing should be specified, such as repayment of loans, purchase of equipment, business turnover, etc.

Note 7: The accumulated balance of loans (including business dealings and short-term financing needs) of Taishin AMC shall be limited to seven times of its net worth; for Taishin D.A. Finance, it shall be limited to its net worth. The lending amount limit to the same person and the same affiliated entity of Taishin AMC shall be limited to 50% of its net worth based on latest financial statements; for Taishin D.A. Finance, it shall be limited 10% of its net worth based on the latest financial statements.

Note 8: If public company follows the Article 14(a) of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, it will resolve the allocation of funds within the board of directors. Although the amount has not been allocated, the company needs to announce the amount resolved by the board of directors, in order to bear the risk of disclosure; after the fund has been repaid, the company should disclose the balance after repayment, in order to reflect on the adjustment of risk. If the public company follows the Article 14(b) of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, after the resolution of board of directors, enables the chairman, within a certain monetary limit resolved by the board of directors, and within a period not exceeding one year, to give loans in installments or to make a revolving credit line available for the borrower to draw down, the company should still use the resolution amount and limit passed in the board of directors as the publicly disclosed balance. After the fund has been partially repaid, considering that there will be more allocation in the process, the company should use the resolution amount and the limit passed in the board of directors as the publicly disclosed balance.

TAISHIN FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 4)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 5)	Actual Amount Borrowed (Note 6)	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note 7)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note 7)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note 7)
		Name	Relationship (Note 2)										
1	Taishin D.A. Finance	Taishin Financial Leasing (China)	b	\$ 30,794,261	\$ 1,720,101	\$ 1,720,101	\$ 1,131,645	\$ -	39.10	\$ 30,794,261	Y	N	Y

Note 1: Column is numbered as follows:

- a. Parent: 0.
- b. Subsidiaries are numbered starting from 1.

Note 2: Relationship between the endorser/guarantor and the endorsee/guarantee is classified as follows:

- a. Having a business relationship.
- b. The endorser/guarantor directly or indirectly owns more than 50% of the ordinary shares of the endorsee/guarantee.
- c. The endorsee/guarantee directly or indirectly owns more than 50% of the ordinary shares of the endorser/guarantor.
- d. The Company in which the public company directly or indirectly holds 90% or more of the voting shares may make endorsements/guarantees for each other.
- e. Where a public company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or joint builders for purposes of undertaking a construction project.
- f. Due to a joint venture, all shareholders provide endorsements/guarantees to the endorsee/guarantee in proportion to their ownership.
- g. Where companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: The accumulated balance of endorsement/guarantee provided to others shall be limited to seven times of the endorser/guarantor's net worth. The endorsement/guarantee amount limit to a same person and same affiliated entity, shall be limited to seven times of the endorser/guarantor's net worth based on latest financial statements.

Note 4: The maximum balance of the endorsement/guarantee provided to others in the current year.

Note 5: The amount approved by the board of directors shall be entered. However, it refers to the amount approved by the chairman if the board of directors authorizes the chairman to make a decision in accordance with Subparagraph 8, Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

Note 6: The actual drawdown amount by the endorsed/guaranteed company within the range of the endorsement/guarantee balance shall be entered.

Note 7: It is a guarantor of the listed parent company to the endorsement of the subsidiary, the subsidiary company's endorsement to the listed parent company and the endorsement of the mainland area must be filled with Y.

Note 8: Foreign-currency amounts were translated to New Taiwan Dollars at the spot exchange rates on the balance sheet date.

TABLE 3

TAISHIN FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

SEPTEMBER 30, 2024

(In Thousands Shares/Units; in Thousands of New Taiwan Dollars)

Holding Company	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	September 30, 2024				Note
				Number of Shares/Units/Face Value	Carrying Amount	Percentage of Ownership (%)	Market Value	
Taishin Real Estate	<u>Shares</u> Metro Consulting Service Ltd.	Its corporate director is Taishin Real Estate	Financial assets at FVTOCI	300	\$ 3,002	6.00	\$ 3,002	
Taishin D.A. Finance	<u>Shares</u> Yuan Tai Forex Brokerage Co., Ltd. Bon-Li International Technology Co., Ltd.	Its corporate director is Taishin D.A. Finance None	Financial assets at FVTOCI "	600,000 125,000	8,373 -	5.00 1.50	8,373 -	Go out of business
	<u>Equity</u> Taishin Financial Leasing (China)	Parent company and subsidiary	Investments accounted for using equity method	USD 80,000	2,484,137	100.00	2,484,137	
Taishin Venture Capital Investment	<u>Equity</u> Chime Biologics Limited Delos Capital Fund, LP Delos Capital Fund II, LP Delos Capital Fund III, LP CDIB Capital Global Opportunities Fund, L.P. Li Shen Zhi-Lian L.P. Arm IoT Fund, L.P.	None " " " " " "	Financial assets at FVTPL " " " " " "	2,105 USD 8,144 USD 7,425 USD 10,763 USD 2,558	31,600 178,446 347,722 284,855 71,351	0.45 7.63 7.46 8.31 2.21	31,600 178,446 347,722 284,855 71,351	
	<u>Shares</u> Hwei-Yang Venture Capital Investment Co., Ltd. Century Development Corp. Microbio Co., Ltd. Winking Studios Ltd. Diamond Biofund INC.	" Its corporate supervisor is Taishin Venture Capital Investment None " " Its corporate director is Taishin Venture Capital Investment	" " " " "	42 10,633 1,322 2,614 72,626	1,586 131,324 54,253 18,746 2,934,104	1.54 3.03 0.22 0.93 8.54	1,586 131,324 54,253 18,746 2,934,104	
	<u>Equity</u> StemCyte International Ltd. VM Discovery, Inc. Preferred D RevMAb Biosciences, Inc. Eden Biotech, Inc. OME Technology Co., Ltd.	None " " " "	" " " " "	730 95 400 2,105 1,457	17,286 6,329 28,440 4,337 20,386	0.38 0.38 2.26 0.89 2.15	17,286 6,329 28,440 4,337 20,386	

(Continued)

Holding Company	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	September 30, 2024				Note
				Number of Shares/Units/Face Value	Carrying Amount	Percentage of Ownership (%)	Market Value	
	Shin Yao Biomedical Venture Capital Investment Co., Ltd.	Its corporate director is Taishin Venture Capital Investment	Financial assets at FVTPL	35,000	\$ 332,850	10.00	\$ 332,850	
	Taxven BioPharma, Inc.	None	"	402	27,929	0.25	27,929	
	Great Agricultural Technology Co., Ltd.	"	"	578	2,362	3.33	2,362	
	Contact Digital Integration Co., Ltd.	Others	"	1,300	-	7.22	-	
	I.X	None	"	1,942	-	3.41	-	
	AMIS Technologies Co., Ltd.	"	"	17,500	-	7.92	-	
	IIH Biomedical Venture Fund I Co., Ltd.	Its corporate director is Taishin Venture Capital Investment	"	2,500	61,325	8.08	61,325	
	Taiwania Capital Management Corporation	None	"	17,760	52,570	7.10	52,570	
	Shenghe Energy Corporation	Its corporate supervisor is Taishin Venture Capital Investment	"	5,000	30,400	5.00	30,400	
	Jada International Development Corporation	None	"	1,946	10,607	5.68	10,607	
	Guoyu Global Company Limited	Its corporate director is Taishin Venture Capital Investment	"	300	447	9.68	447	
	Jing Ying Investment Co., Ltd.	"	"	15,610	151,105	10.00	151,105	
	Gogoro Inc.	None	"	1,000	16,790	0.41	16,790	
	CT Ambi Inc.	Its corporate supervisor is Taishin Venture Capital Investment	"	2,000	12,460	14.83	12,460	
	BSOS Holdings, INC.	None	"	2,406	8,734	3.01	8,734	
	All Win Fintech Company Limited	"	"	8,617	97,978	13.70	97,978	
	ImmunAdd Inc.	"	"	2,130	48,458	10.00	48,458	
	Sim2 Travel Inc. Preferred A	"	"	350	-	0.88	-	
	PC Home Online Investment Inc.	"	"	79	-	3.03	-	Liquidated
	CCMedia Co., Ltd.	"	"	400	-	0.48	-	
	Taishin Sports Entertainment	Parent company and subsidiary	Investments accounted for using equity method	6,000	28,896	100.00	28,896	
	<u>Beneficiary certificates</u>							
	Capital Global Strategic Income High Yield Bond Fund	None	Financial assets at FVTPL	1,519	15,782	-	15,782	
	Taishin ESG Emerging Markets Bond Fund A	Issued by Taishin Securities Investment Trust	"	1,100	9,994	-	9,994	
	Jih Sun Global Innovative Technology Non-Investment Grade Bond Fund	None	"	1,049	10,503	-	10,503	
	Fubon Chi-Hsiang Money Market Fund	"	"	10,948	178,122	-	178,122	
	Fubon China Money Market Fund	"	"	87	1,044	-	1,044	
	Fubon Global Investment-grade Bond Fund	"	"	1,462	15,726	-	15,726	
	<u>Investment agreement</u>							
	Public Television Foundation (SEQALU: Formosa 1867)	None	Financial assets at FVTPL	2,000	-	1.06	-	

(Continued)

Holding Company	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	September 30, 2024				Note
				Number of Shares/Units/Face Value	Carrying Amount	Percentage of Ownership (%)	Market Value	
Taishin AMC	<u>Shares</u>							
	Linkou Golf Country Club	None	Financial assets at FVTOCI	-	\$ 2,077	0.30	\$ 2,077	
	Dah Chung Bills	Its corporate director is Taishin Bank	"	2,465	35,503	0.51	35,503	
	Diamond Biofund INC.	Its corporate director is Taishin Venture Capital Investment	"	5,788	233,850	0.68	233,850	
	Shin Yao Biomedical Venture Capital Investment Co., Ltd.	"	"	4,375	41,606	1.25	41,606	
	Jing Ying Investment Co., Ltd. Taishin Real Estate	" Investee under the equity method	" Investments accounted for using equity method	1,951 8,000	18,888 143,766	1.25 40.00	18,888 143,766	
Taishin Securities Venture Capital	<u>Shares</u>							
	Tangeng Advanced Vehicle Co., Ltd.	None	Financial assets at FVTPL	1,400	-	1.98	-	
	Rich Healthy Fruits & Vegetable Corp.	"	"	288	-	1.64	-	
	Geniron.com.inc	"	"	434	18,481	4.08	18,481	
	Le Day Multimedia Co., Ltd.	"	"	459	-	3.83	-	
	Excelsior Bio-system Inc.	"	"	263	-	0.66	-	
	Finatext, Ltd.	"	"	29	-	7.50	-	
	Kdan Mobile Software Ltd.	"	"	220	3,493	0.78	3,493	
	Casual Restaurants Inc.	"	"	600	30,000	2.96	30,000	
	Obigen Pharma, Inc.	"	"	1,000	45,820	0.94	45,820	
	Trans-IOT Technology Co., ltd.	"	"	385	4,227	3.61	4,227	
	Honor Seiki Co., Ltd.	"	"	131	6,278	0.38	6,278	
	Echem solutions Corp.	"	"	105	69,252	0.13	69,252	
	Fositek Corp.	"	"	100	82,500	0.15	82,500	
	H. H. Galaxy Co., Ltd.	"	"	130	10,595	0.51	10,595	
	Ecloudvalley Digital Technology Co., Ltd.	"	"	120	11,892	0.18	11,892	
	Formosa Pharmaceuticals, Inc.	"	"	50	2,413	0.03	2,413	
	ACEPODIA, INC. (Cayman)	"	"	200	4,698	0.03	4,698	
	eTreego Co., Ltd.	"	"	520	3,032	0.20	3,032	
	AV LINK Group Ltd.	"	"	370	4,814	2.12	4,814	
TMY Technology Inc.	"	"	200	2,568	0.44	2,568		
Gogolook Co., Ltd.	"	"	13	1,983	0.04	1,983		
Tigerair Taiwan Co., Ltd.	"	"	1,315	77,980	0.29	77,980		
Syntec Technology Co., Ltd.	"	"	100	22,867	0.15	22,867		
Taishin Health Investment	<u>Equity</u>							
Taishin Healthcare Partnership	Its general partner is Taishin Health Investment	"	7,349	52,047	1.65	52,047		

(Concluded)

TAISHIN FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

ACQUISITION OR DISPOSAL OF INDIVIDUAL REAL ESTATE REACHING NT\$300 MILLION OR 10% OF THE PAID-IN CAPITAL OR MORE
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars)

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Owner	Relationship	Acquired Date	Amount			
Taishin Life Insurance	No. 19, Yongke 3rd Rd., Yongkang Dist., Tainan City	January 23, 2024	\$ 1,450,000	Pay by contract and has been completed	SUN TOWARD TECH ENTERPRISE CO., LTD.	Non-related party	-	-	-	\$ -	Appraisal report by real estate appraiser.	Real estate investments in accordance with Insurance Act.	None

Note 1: The transaction amount does not include brokerage fees, regulatory fees, and agency fees paid as of the acquisition date.

Note 2: Date of occurrence refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier.

TAISHIN FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO NT\$300 MILLION OR 10% OF THE PAID-IN CAPITAL

SEPTEMBER 30, 2024

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Year	Allowance for Bad Debts	Note
					Amount	Actions Taken			
Taishin Financial Holding	Taishin Bank	Wholly-owned subsidiary of Taishin Financial Holding	\$ 1,063,607 (Note)	-	\$ -	-	\$ -	\$ -	-

Note: The ending balance is comprised of accounts receivable under linked tax system. The amount was eliminated from the consolidated financial statements.

TAISHIN FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

**SALES OF NPL FROM SUBSIDIARIES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars)**

Taishin Bank

1. Summary statement:

Trade Date	Counterparty	Loan Composition	Carrying Amount (Note)	Selling Price	Gain (Loss) on Disposal	Terms	Relationship
January 18, 2024	AS INVESTMENT VEHICLE PTY LTD	International syndicated loans	\$ -	\$ 214,389	\$ 214,389	None	Not related to the Company and its subsidiaries

Note: The carrying amounts were the original credit amount net of the doubtful account.

2. Sale of nonperforming loans in a single batch amounted to over \$1 billion (excluding sales to related parties): None.

TAISHIN FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

(In Thousands of New Taiwan Dollars, In Thousands of Specified Foreign Currency)

Investor	Investee	Main Businesses and Products of Investee	Total Amount of Paid-in Capital of Investee (US\$ in Thousand)	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2024 (US\$ in Thousand)	Investment Flows (US\$ in Thousand)		Accumulated Outflow of Investment from Taiwan as of September 30, 2024 (US\$ in Thousand)	Investee's Net Income	Percentage of Ownership (%)	Investment Profit (Loss) Recognized in the Current Period (Note 2)	Carrying Value as of September 30, 2024	Accumulated Inward Remittance of Earnings as of September 30, 2024
						Outflow	Inflow						
Taishin D.A. Finance	Taishin Financial Leasing (China)	Financial leasing	\$ 2,437,967 (US\$ 80,000)	Note 1.a.	\$ 2,117,767 (US\$ 70,000)	\$ -	\$ -	\$ 2,117,767 (US\$ 70,000)	\$ 42,140	100	\$ 42,140 (Note 2.b.1)	\$ 2,484,137	\$ 397,631

Investor	Accumulated Investment in Mainland China as of September 30, 2024 (US\$ in Thousand)	Investment Amounts Authorized by Investment Commission, MOEA (US\$ in Thousand)	Upper Limit on Investment (US\$ in Thousand)
Taishin D.A. Finance	\$ 2,117,767 (US\$ 70,000)	\$ 2,356,113 (US\$ 80,000)	\$ 30,103,961

Note 1: The methods of investment are as follows:

- a. Direct investment in mainland China.
- b. Investment in mainland China through reinvestment in an existing enterprise in a third area.
- c. Others.

Note 2: Recognized in profit (loss) in the current period:

- a. If the entity is still in the preparation stage and there is no profit (loss) yet, it should be disclosed.
- b. The basis of recognition of profit (loss), one of the following categories, should be disclosed:
 - 1) Financial statements have been audited (reviewed) by an international accounting firm that has a working relationship with an accounting firm in the ROC.
 - 2) Financial statements have been audited (reviewed) by the Taiwan parent company's CPA.
 - 3) Others.

Note 3: For Taiwanese banks establishing branches, subsidiary banks, or participating in equity investment in mainland China, as well as Taiwanese banks and their subsidiaries that hold more than 50% of the total issued voting shares or total capital and subsidiary banks in a third area, the accumulated operating funds and investment of related-party corporations that are directly or indirectly controlled by companies investing in the mainland shall not exceed 15% of the bank's net worth at the time of application.

TAISHIN FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

BUSINESS RELATIONSHIPS AND MATERIAL TRANSACTIONS IN CONSOLIDATION
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars)

Number (Note a)	Main Party	Counterparty	Relationship (Note b)	Transactions			% of Consolidated Operating Revenues or Consolidated Total Assets (Note c)
				Account	Amount	Terms	
0	Taishin Financial Holding	Taishin Bank	1	Cash and cash equivalents	\$ 21,218,096	Under arm's length terms	0.64
0	Taishin Financial Holding	Taishin Bank	1	Securities purchased under resell agreements	500,000	Under arm's length terms	0.02
0	Taishin Financial Holding	Taishin Bank	1	Receivable, net	1,063,607	Under arm's length terms	0.03
0	Taishin Financial Holding	Taishin Bank	1	Interest income	204,750	Under arm's length terms	0.31
0	Taishin Financial Holding	Taishin Securities B	1	Receivable, net	233,351	Under arm's length terms	0.01
1	Taishin Bank	Taishin Securities Investment Advisory	3	Deposits and remittances	324,430	Under arm's length terms	0.01
1	Taishin Bank	Taishin Securities Investment Trust	3	Deposits and remittances	237,988	Under arm's length terms	0.01
1	Taishin Bank	Taishin Securities B	3	Deposits and remittances	3,607,882	Under arm's length terms	0.11
1	Taishin Bank	Taishin Life Insurance	3	Deposits and remittances	2,801,333	Under arm's length terms	0.08
1	Taishin Bank	Taishin D.A. Finance	4	Deposits and remittances	165,762	Under arm's length terms	0.01
1	Taishin Bank	Taishin Futures	4	Deposits and remittances	1,096,558	Under arm's length terms	0.03
1	Taishin Bank	Taishin Life Insurance	3	Receivable, net	273,339	Under arm's length terms	0.01
2	Taishin Securities B	Taishin Bank	3	Lease liabilities	169,612	Under arm's length terms	0.01
2	Taishin Securities B	Taishin Bank	3	Right-of-use assets, net	234,450	Under arm's length terms	0.01
2	Taishin Securities B	Taishin Bank	3	Net service fee and commission income	129,637	Under arm's length terms	0.20
3	Taishin Life Insurance	Taishin Bank	3	Net service fee and commission income	2,898,949	Under arm's length terms	4.38
3	Taishin Life Insurance	Taishin Securities Investment Trust	3	Net service fee and commission income	114,416	Under arm's length terms	0.17
4	Taishin Futures	Taishin Securities B	5	Other financial assets	794,664	Under arm's length terms	0.02
4	Taishin Futures	Taishin Securities B	5	Other financial liabilities	794,664	Under arm's length terms	0.02

(Continued)

Note a: Business relationships between the parent and subsidiaries are numbered as follows:

1. Parent: 0.
2. Subsidiaries are numbered starting from 1.

Note b: Relationship between the main party and the counterparty is numbered as follows:

1. Parent to subsidiary.
2. Subsidiary to parent.
3. One subsidiary to another subsidiary.
4. Subsidiary to second tier subsidiary.
5. Second tier subsidiary to subsidiary.

Note c: Percentage of consolidated operating revenues or consolidated total assets: If the account is a balance sheet account, it was calculated by dividing the ending balance into consolidated total assets; if the account is an income statement account, it was calculated by dividing the interim cumulative balance into consolidated operating revenues.

(Concluded)