

**E.SUN Financial Holding Company, Ltd.  
and Subsidiaries**

**Consolidated Financial Statements for the  
Three Months Ended March 31, 2021 and 2020 and  
Independent Auditors' Review Report**

## **INDEPENDENT AUDITORS' REVIEW REPORT**

The Board of Directors and Stockholders  
E.SUN Financial Holding Company, Ltd.

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of E.SUN Financial Holding Company, Ltd. (ESFHC) and its subsidiaries (collectively, the "Company") as of March 31, 2021 and 2020, the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (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, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

We conducted our reviews in accordance with Statement of Auditing Standards No. 65 "Review of 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 Company as of March 31, 2021 and 2020, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Yin-Chou Chen and Chen-Hsiu Yang.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

May 12, 2021

Notice to Readers

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

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

## E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

### CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

|  | March 31, 2021<br>(Reviewed) |            | December 31, 2020<br>(Audited) |            | March 31, 2020<br>(Reviewed) |            |
|--|------------------------------|------------|--------------------------------|------------|------------------------------|------------|
|  | Amount                       | %          | Amount                         | %          | Amount                       | %          |
| <b>ASSETS</b>  |                              |            |                                |            |                              |            |
| CASH AND CASH EQUIVALENTS (Note 6)   | \$ 48,361,767                | 2          | \$ 54,640,670                  | 2          | \$ 48,680,498                | 2          |
| DUE FROM THE CENTRAL BANK AND CALL LOANS TO OTHER BANKS (Notes 7 and 40)               | 94,566,393                   | 3          | 121,080,836                    | 4          | 89,547,754                   | 4          |
| FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 8 and 40)                 | 658,376,898                  | 23         | 715,809,282                    | 24         | 573,113,895                  | 22         |
| FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Notes 9, 40 and 43) | 309,830,685                  | 11         | 263,902,860                    | 9          | 215,770,622                  | 8          |
| INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST (Notes 10, 40 and 43)                | 22,938,724                   | 1          | 16,465,798                     | 1          | 13,793,554                   | 1          |
| SECURITIES PURCHASED UNDER RESELL AGREEMENTS (Note 11)                                 | 3,481,813                    | -          | 2,300,196                      | -          | 1,764,881                    | -          |
| RECEIVABLES, NET (Notes 12 and 39)   | 109,846,139                  | 4          | 116,686,211                    | 4          | 107,951,099                  | 4          |
| CURRENT TAX ASSETS (Note 4)  | 42,761                       | -          | 106,412                        | -          | 6,912                        | -          |
| DISCOUNTS AND LOANS, NET (Notes 13, 39 and 40)   | 1,617,493,683                | 55         | 1,620,374,068                  | 55         | 1,483,178,801                | 57         |
| OTHER FINANCIAL ASSETS, NET (Note 14)  | 5,623,815                    | -          | 6,235,133                      | -          | 12,611,909                   | 1          |
| INVESTMENT PROPERTIES, NET (Note 15)   | 1,800,585                    | -          | 1,827,047                      | -          | 1,818,178                    | -          |
| PROPERTIES AND EQUIPMENT, NET (Note 16)  | 36,070,507                   | 1          | 33,290,884                     | 1          | 33,219,870                   | 1          |
| RIGHT-OF-USE ASSETS, NET (Note 17)   | 3,122,543                    | -          | 3,168,210                      | -          | 3,182,207                    | -          |
| INTANGIBLE ASSETS, NET (Note 18)   | 6,166,035                    | -          | 6,167,861                      | -          | 6,119,504                    | -          |
| DEFERRED TAX ASSETS (Note 4)   | 1,920,591                    | -          | 1,842,000                      | -          | 1,532,089                    | -          |
| OTHER ASSETS, NET (Notes 17 and 19)  | 8,638,211                    | -          | 7,847,214                      | -          | 6,477,276                    | -          |
| <b>TOTAL</b>   | <u>\$ 2,928,281,150</u>      | <u>100</u> | <u>\$ 2,971,744,682</u>        | <u>100</u> | <u>\$ 2,598,769,049</u>      | <u>100</u> |
| <b>LIABILITIES AND EQUITY</b>  |                              |            |                                |            |                              |            |
| DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS (Note 20)                               | \$ 76,833,648                | 3          | \$ 54,968,986                  | 2          | \$ 82,772,558                | 3          |
| DUE TO THE CENTRAL BANK AND OTHER BANKS (Note 21)                                      | 10,040,830                   | 1          | 8,044,340                      | -          | -                            | -          |
| FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 8 and 26)            | 62,345,917                   | 2          | 70,441,442                     | 3          | 68,908,014                   | 3          |
| SECURITIES SOLD UNDER REPURCHASE AGREEMENTS (Notes 9, 10 and 22)                       | 13,178,554                   | 1          | 11,305,248                     | 1          | 9,217,870                    | -          |
| COMMERCIAL PAPER ISSUED, NET (Note 23)   | 4,923,134                    | -          | 3,257,632                      | -          | 2,477,574                    | -          |
| PAYABLES (Notes 24 and 39)   | 30,263,637                   | 1          | 33,872,856                     | 1          | 27,705,602                   | 1          |
| CURRENT TAX LIABILITIES (Note 4)   | 1,719,228                    | -          | 830,714                        | -          | 2,922,044                    | -          |
| DEPOSITS AND REMITTANCES (Notes 25 and 39)   | 2,436,244,054                | 83         | 2,491,467,253                  | 84         | 2,124,348,135                | 82         |
| BOND PAYABLES (Note 26)  | 38,670,000                   | 1          | 39,970,000                     | 1          | 45,070,000                   | 2          |
| OTHER BORROWINGS (Note 27)   | 1,032,884                    | -          | 1,213,342                      | -          | 544,437                      | -          |
| PROVISIONS (Note 28)   | 868,979                      | -          | 1,159,384                      | -          | 719,856                      | -          |
| OTHER FINANCIAL LIABILITIES (Notes 15 and 30)  | 56,970,344                   | 2          | 64,583,767                     | 2          | 49,200,012                   | 2          |
| LEASE LIABILITIES (Note 17)  | 3,224,486                    | -          | 3,275,399                      | -          | 3,228,660                    | -          |
| DEFERRED TAX LIABILITIES (Note 4)  | 1,254,487                    | -          | 1,422,381                      | -          | 1,165,542                    | -          |
| OTHER LIABILITIES (Note 31)  | 3,185,667                    | -          | 4,331,361                      | -          | 3,670,723                    | -          |
| Total liabilities  | <u>2,740,755,849</u>         | <u>94</u>  | <u>2,790,144,105</u>           | <u>94</u>  | <u>2,421,951,027</u>         | <u>93</u>  |
| <b>EQUITY ATTRIBUTABLE TO OWNERS OF ESFHC</b>  |                              |            |                                |            |                              |            |
| Capital stock  |                              |            |                                |            |                              |            |
| Common stock   | 125,671,000                  | 4          | 125,671,000                    | 4          | 116,195,000                  | 5          |
| Reserve for capitalization   | 195,000                      | -          | -                              | -          | 216,000                      | -          |
| Total capital stock  | <u>125,866,000</u>           | <u>4</u>   | <u>125,671,000</u>             | <u>4</u>   | <u>116,411,000</u>           | <u>5</u>   |
| Capital surplus  |                              |            |                                |            |                              |            |
| Additional paid-in capital from share issuance in excess of par value                  | 22,279,730                   | 1          | 21,967,730                     | 1          | 21,967,730                   | 1          |
| From treasury stock transactions   | 3,382,484                    | -          | 3,382,484                      | -          | 3,382,484                    | -          |
| Total capital surplus  | <u>25,662,214</u>            | <u>1</u>   | <u>25,350,214</u>              | <u>1</u>   | <u>25,350,214</u>            | <u>1</u>   |
| Retained earnings  |                              |            |                                |            |                              |            |
| Legal reserve  | 13,078,728                   | -          | 13,078,728                     | -          | 11,068,215                   | -          |
| Special reserve  | 164,235                      | -          | 164,235                        | -          | 164,235                      | -          |
| Unappropriated earnings  | 22,775,893                   | 1          | 17,061,205                     | 1          | 24,375,374                   | 1          |
| Total retained earnings  | <u>36,018,856</u>            | <u>1</u>   | <u>30,304,168</u>              | <u>1</u>   | <u>35,607,824</u>            | <u>1</u>   |
| Other equity   | (156,137)                    | -          | 143,010                        | -          | (676,318)                    | -          |
| Total equity attributable to owners of ESFHC   | <u>187,390,933</u>           | <u>6</u>   | <u>181,468,392</u>             | <u>6</u>   | <u>176,692,720</u>           | <u>7</u>   |
| NON-CONTROLLING INTERESTS  | 134,368                      | -          | 132,185                        | -          | 125,302                      | -          |
| Total equity   | <u>187,525,301</u>           | <u>6</u>   | <u>181,600,577</u>             | <u>6</u>   | <u>176,818,022</u>           | <u>7</u>   |
| <b>TOTAL</b>   | <u>\$ 2,928,281,150</u>      | <u>100</u> | <u>\$ 2,971,744,682</u>        | <u>100</u> | <u>\$ 2,598,769,049</u>      | <u>100</u> |

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

## E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

|  | For the Three Months Ended March 31 |             |                    |             |
|--|-------------------------------------|-------------|--------------------|-------------|
|  | 2021                                |             | 2020               |             |
|  | Amount                              | %           | Amount             | %           |
| INTEREST REVENUE (Notes 32 and 39)   | \$ 8,546,806                        | 62          | \$ 10,123,810      | 72          |
| INTEREST EXPENSE (Notes 32 and 39)   | <u>(2,464,390)</u>                  | <u>(18)</u> | <u>(5,070,229)</u> | <u>(36)</u> |
| NET INTEREST   | <u>6,082,416</u>                    | <u>44</u>   | <u>5,053,581</u>   | <u>36</u>   |
| NET REVENUES AND GAINS OTHER THAN INTEREST   |                                     |             |                    |             |
| Service fee and commission income, net (Notes 33 and 39)   | 5,272,970                           | 39          | 5,025,597          | 36          |
| Gains on financial assets and liabilities at fair value through profit or loss (Notes 8 and 34)                              | 1,973,466                           | 15          | 3,005,744          | 21          |
| Realized gains on financial assets at fair value through other comprehensive income (Note 9)                                 | 160,095                             | 1           | 529,166            | 4           |
| Foreign exchange gains, net  | 172,350                             | 1           | 114,832            | 1           |
| Reversal of impairment losses (impairment losses) on assets  | (13,308)                            | -           | 1,656              | -           |
| Other noninterest gains, net   | <u>49,590</u>                       | <u>-</u>    | <u>232,910</u>     | <u>2</u>    |
| Total net revenues and gains other than interest   | <u>7,615,163</u>                    | <u>56</u>   | <u>8,909,905</u>   | <u>64</u>   |
| TOTAL NET REVENUES   | <u>13,697,579</u>                   | <u>100</u>  | <u>13,963,486</u>  | <u>100</u>  |
| REVERSAL OF (PROVISION FOR) BAD-DEBT EXPENSES AND REVERSAL OF (PROVISION FOR) LOSSES ON COMMITMENTS AND GUARANTEES (Note 13) | <u>357,889</u>                      | <u>3</u>    | <u>(347,063)</u>   | <u>(3)</u>  |
| OPERATING EXPENSES (Notes 4, 16, 17, 18, 29, 35 and 39)  |                                     |             |                    |             |
| Employee benefits  | (3,586,989)                         | (26)        | (3,557,118)        | (25)        |
| Depreciation and amortization  | (860,512)                           | (6)         | (855,751)          | (6)         |
| General and administrative   | <u>(3,369,529)</u>                  | <u>(25)</u> | <u>(3,610,950)</u> | <u>(26)</u> |
| Total operating expenses   | <u>(7,817,030)</u>                  | <u>(57)</u> | <u>(8,023,819)</u> | <u>(57)</u> |
| INCOME BEFORE INCOME TAX   | 6,238,438                           | 46          | 5,592,604          | 40          |
| INCOME TAX EXPENSE (Notes 4 and 36)  | <u>(1,031,677)</u>                  | <u>(8)</u>  | <u>(1,049,915)</u> | <u>(7)</u>  |
| NET INCOME FOR THE PERIOD  | <u>5,206,761</u>                    | <u>38</u>   | <u>4,542,689</u>   | <u>33</u>   |

(Continued)

## E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

|  | For the Three Months Ended March 31 |            |                     |             |
|--|-------------------------------------|------------|---------------------|-------------|
|  | 2021                                |            | 2020                |             |
|  | Amount                              | %          | Amount              | %           |
| OTHER COMPREHENSIVE INCOME (Notes 4 and 36)  |                                     |            |                     |             |
| Items that will not be reclassified subsequently to profit or loss:  |                                     |            |                     |             |
| Changes in the fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss | \$ 80,674                           | 1          | \$ (222,898)        | (2)         |
| Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income                                  | 1,291,816                           | 9          | (1,179,637)         | (8)         |
| Income tax relating to items that will not be reclassified subsequently to profit or loss  | <u>(4,755)</u>                      | <u>-</u>   | <u>11,855</u>       | <u>-</u>    |
| Items that will not be reclassified subsequently to profit or loss, net of income tax  | <u>1,367,735</u>                    | <u>10</u>  | <u>(1,390,680)</u>  | <u>(10)</u> |
| Items that may be reclassified subsequently to profit or loss:   |                                     |            |                     |             |
| Exchange differences on the translation of financial statements of foreign operations  | 78,023                              | 1          | 22,081              | -           |
| Unrealized gains (losses) on investments in debt instruments at fair value through other comprehensive income                                    | (1,394,615)                         | (10)       | (200,660)           | (1)         |
| Income tax relating to items that may be reclassified subsequently to profit or loss   | <u>159,820</u>                      | <u>1</u>   | <u>63,012</u>       | <u>-</u>    |
| Items that may be reclassified subsequently to profit or loss, net of income tax   | <u>(1,156,772)</u>                  | <u>(8)</u> | <u>(115,567)</u>    | <u>(1)</u>  |
| Other comprehensive income (loss) for the period, net of income tax  | <u>210,963</u>                      | <u>2</u>   | <u>(1,506,247)</u>  | <u>(11)</u> |
| <b>TOTAL COMPREHENSIVE INCOME</b>  | <u>\$ 5,417,724</u>                 | <u>40</u>  | <u>\$ 3,036,442</u> | <u>22</u>   |
| NET INCOME ATTRIBUTABLE TO:  |                                     |            |                     |             |
| Owners of ESFHC  | \$ 5,204,582                        | 38         | \$ 4,540,583        | 33          |
| Non-controlling interests  | <u>2,179</u>                        | <u>-</u>   | <u>2,106</u>        | <u>-</u>    |
|  | <u>\$ 5,206,761</u>                 | <u>38</u>  | <u>\$ 4,542,689</u> | <u>33</u>   |
| TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:  |                                     |            |                     |             |
| Owners of ESFHC  | \$ 5,415,541                        | 40         | \$ 3,034,319        | 22          |
| Non-controlling interests  | <u>2,183</u>                        | <u>-</u>   | <u>2,123</u>        | <u>-</u>    |
|  | <u>\$ 5,417,724</u>                 | <u>40</u>  | <u>\$ 3,036,442</u> | <u>22</u>   |

(Continued)

# E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

(Reviewed, Not Audited)

|  | For the Three Months Ended March 31 |   |               |   |
|--|-------------------------------------|---|---------------|---|
|  | 2021                                |   | 2020          |   |
|  | Amount                              | % | Amount        | % |
| EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 37) |                                     |   |               |   |
| Basic  | <u>\$0.41</u>                       |   | <u>\$0.36</u> |   |
| Diluted  | <u>\$0.41</u>                       |   | <u>\$0.36</u> |   |

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

(Concluded)

**E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(In Thousands of New Taiwan Dollars)  
(Reviewed, Not Audited)

|   | Equity Attributable to Owners of ESFHC |                       |                               |                              |                                    |                   |                            | Other Equity  |  |  |   | Total Equity          |
|---|--|-----------------------|-------------------------------|------------------------------|------------------------------------|-------------------|----------------------------|---|--|--|---|-----------------------|
|   | Capital Stock (Note 38)                |                       |                               | Capital Surplus<br>(Note 38) | Retained Earnings (Notes 9 and 38) |                   |                            | Exchange<br>Differences on the<br>Translation of<br>Financial<br>Statements of<br>Foreign<br>Operations | Unrealized Gains<br>on Financial<br>Assets at Fair<br>Value Through<br>Other<br>Comprehensive<br>Income (Note 9) | Changes in the<br>Fair Value<br>Attributable to<br>Changes in the<br>Credit Risk of<br>Financial<br>Liabilities<br>Designated as at<br>Fair Value<br>Through Profit or<br>Loss | Non-controlling<br>Interests<br>(Note 38) |                       |
|   | Shares (In<br>Thousands)               | Common Stock          | Reserve for<br>Capitalization |                              | Legal Reserve                      | Special Reserve   | Unappropriated<br>Earnings |   |  |  |   |                       |
| BALANCE AT JANUARY 1, 2021  | 12,567,100                             | \$ 125,671,000        | \$ -                          | \$ 25,350,214                | \$ 13,078,728                      | \$ 164,235        | \$ 17,061,205              | \$ (2,089,399)  | \$ 2,883,479   | \$ (651,070)   | \$ 132,185                                | \$ 181,600,577        |
| Issuance of common stock from employees' compensation   | -                                      | -                     | 195,000                       | 312,000                      | -                                  | -                 | -                          | -   | -  | -  | -   | 507,000               |
| Disposals of investments in equity instruments at fair value through other comprehensive income   | -                                      | -                     | -                             | -                            | -                                  | -                 | 510,206                    | -   | (510,206)  | -  | -   | -                     |
| Net income for the three months ended March 31, 2021  | -                                      | -                     | -                             | -                            | -                                  | -                 | 5,204,582                  | -   | -  | -  | 2,179                                     | 5,206,761             |
| Other comprehensive income (loss) for the three months ended March 31, 2021, net of income tax  | -                                      | -                     | -                             | -                            | -                                  | -                 | (100)                      | 62,585  | 67,800   | 80,674   | 4   | 210,963               |
| Total comprehensive income for the three months ended March 31, 2021  | -                                      | -                     | -                             | -                            | -                                  | -                 | 5,204,482                  | 62,585  | 67,800   | 80,674   | 2,183                                     | 5,417,724             |
| BALANCE AT MARCH 31, 2021   | <u>12,567,100</u>                      | <u>\$ 125,671,000</u> | <u>\$ 195,000</u>             | <u>\$ 25,662,214</u>         | <u>\$ 13,078,728</u>               | <u>\$ 164,235</u> | <u>\$ 22,775,893</u>       | <u>\$ (2,026,814)</u>   | <u>\$ 2,441,073</u>  | <u>\$ (570,396)</u>  | <u>\$ 134,368</u>                         | <u>\$ 187,525,301</u> |
| BALANCE AT JANUARY 1, 2020  | 11,619,500                             | \$ 116,195,000        | \$ -                          | \$ 24,965,734                | \$ 11,068,215                      | \$ 164,235        | \$ 20,465,306              | \$ (1,316,413)  | \$ 1,569,189   | \$ (53,345)  | \$ 123,179                                | \$ 173,181,100        |
| Issuance of common stock from employees' compensation   | -                                      | -                     | 216,000                       | 384,480                      | -                                  | -                 | -                          | -   | -  | -  | -   | 600,480               |
| Disposals of investments in equity instruments at fair value through other comprehensive income   | -                                      | -                     | -                             | -                            | -                                  | -                 | (630,582)                  | -   | 630,582  | -  | -   | -                     |
| Transfer of changes in the fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss upon derecognition | -                                      | -                     | -                             | -                            | -                                  | -                 | 67                         | -   | -  | (67)   | -   | -                     |
| Net income for the three months ended March 31, 2020  | -                                      | -                     | -                             | -                            | -                                  | -                 | 4,540,583                  | -   | -  | -  | 2,106                                     | 4,542,689             |
| Other comprehensive income (loss) for the three months ended March 31, 2020, net of income tax  | -                                      | -                     | -                             | -                            | -                                  | -                 | -                          | 17,918  | (1,301,284)  | (222,898)  | 17  | (1,506,247)           |
| Total comprehensive income (loss) for the three months ended March 31, 2020   | -                                      | -                     | -                             | -                            | -                                  | -                 | 4,540,583                  | 17,918  | (1,301,284)  | (222,898)  | 2,123                                     | 3,036,442             |
| BALANCE AT MARCH 31, 2020   | <u>11,619,500</u>                      | <u>\$ 116,195,000</u> | <u>\$ 216,000</u>             | <u>\$ 25,350,214</u>         | <u>\$ 11,068,215</u>               | <u>\$ 164,235</u> | <u>\$ 24,375,374</u>       | <u>\$ (1,298,495)</u>   | <u>\$ 898,487</u>  | <u>\$ (276,310)</u>  | <u>\$ 125,302</u>                         | <u>\$ 176,818,022</u> |

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



# E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

|   | For the Three Months Ended<br>March 31 |              |
|---|--|--------------|
|   | 2021                                   | 2020         |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |  |              |
| Income before income tax  | \$ 6,238,438                           | \$ 5,592,604 |
| Adjustments for:  |  |              |
| Depreciation expenses   | 693,937                                | 691,773      |
| Amortization expenses   | 166,575                                | 163,978      |
| Expected credit losses/bad-debt expenses (reversal of expected credit losses/bad-debt expenses) | (345,526)                              | 347,008      |
| Gains on financial assets and liabilities at fair value through profit or loss                  | (1,973,466)                            | (3,005,744)  |
| Interest expense  | 2,464,390                              | 5,070,229    |
| Interest revenue  | (8,546,806)                            | (10,123,810) |
| Dividend income   | (7,513)                                | (8,209)      |
| Provision for losses on guarantees  | (8,915)                                | (4,947)      |
| Salary expenses on share-based payments   | 149,071                                | 125,272      |
| Losses (gains) on disposal of properties and equipment  | (8,430)                                | 592          |
| Gains on disposal of assets held for sale   | -                                      | (173,592)    |
| Gains on disposal of investments  | (152,582)                              | (520,957)    |
| Others  | 106                                    | -            |
| Net changes in operating assets and liabilities   |  |              |
| Due from the Central Bank and call loans to other banks   | 25,383,780                             | 1,947,612    |
| Financial assets at fair value through profit or loss   | 52,614,128                             | (41,049,870) |
| Financial assets at fair value through other comprehensive income                               | (46,447,177)                           | (3,157,676)  |
| Investments in debt instruments at amortized cost   | (6,514,440)                            | (1,251,133)  |
| Receivables   | 7,262,760                              | 4,917,214    |
| Discounts and loans   | 2,926,876                              | (39,455,962) |
| Other financial assets  | 606,195                                | (4,602,864)  |
| Other assets  | 715,795                                | (818,975)    |
| Deposits from the Central Bank and other banks  | 21,864,662                             | 24,868,772   |
| Financial liabilities at fair value through profit or loss                                      | (2,745,930)                            | (2,572,685)  |
| Securities sold under repurchase agreements   | 1,873,306                              | 1,989,631    |
| Payables  | (2,953,306)                            | (961,091)    |
| Deposits and remittances  | (55,223,199)                           | 41,363,506   |
| Provision for employee benefits   | (285,369)                              | (425)        |
| Other financial liabilities   | (6,766,178)                            | 12,317,816   |
| Other liabilities   | (1,145,443)                            | (226,735)    |
| Cash used in operations   | (10,164,261)                           | (8,538,668)  |
| Interest received   | 9,532,508                              | 12,491,277   |
| Dividend received   | 13,434                                 | 9,678        |
| Interest paid   | (2,858,601)                            | (5,012,046)  |
| Income tax paid   | (173,961)                              | (109,960)    |
| Net cash used in operating activities   | (3,650,881)                            | (1,159,719)  |

(Continued)

## E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

|  | For the Three Months Ended<br>March 31 |                      |
|--|--|----------------------|
|  | 2021                                   | 2020                 |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                              |  |                      |
| Proceeds from disposal of assets held for sale                           | \$ -                                   | \$ 334,178           |
| Payments for properties and equipment                                    | (3,345,876)                            | (418,106)            |
| Proceeds from disposal of properties and equipment                       | 55,032                                 | 1,072                |
| Increase in operating deposits   | (10,000)                               | -                    |
| Increase in settlement fund  | (33,179)                               | (238)                |
| Decrease in settlement fund  | 17,265                                 | 6,091                |
| Increase in refundable deposits  | (1,480,405)                            | (679,872)            |
| Payments for intangible assets   | (64,496)                               | (22,724)             |
| Payments for right-of-use assets   | (85)                                   | (118)                |
| Increase in other assets   | <u>(822)</u>                           | <u>-</u>             |
| Net cash used in investing activities                                    | <u>(4,862,566)</u>                     | <u>(779,717)</u>     |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                              |  |                      |
| Increase in short-term borrowings  | -                                      | 10,000               |
| Decrease in short-term borrowings  | (181,352)                              | -                    |
| Increase in due to the Central Bank and other banks                      | 1,996,490                              | -                    |
| Increase in commercial paper issued                                      | 1,665,823                              | -                    |
| Decrease in commercial paper issued                                      | -                                      | (1,204,853)          |
| Proceeds from issue of bank debentures                                   | -                                      | 7,000,000            |
| Repayments of bank debentures  | (1,300,000)                            | -                    |
| Proceeds from long-term borrowings                                       | -                                      | 151,305              |
| Increase in guarantee deposits received                                  | -                                      | 1,714,704            |
| Decrease in guarantee deposits received                                  | (847,245)                              | -                    |
| Repayments of the principal portion of lease liabilities                 | <u>(284,600)</u>                       | <u>(247,156)</u>     |
| Net cash generated from financing activities                             | <u>1,049,116</u>                       | <u>7,424,000</u>     |
| <b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH<br/>EQUIVALENTS</b> | <u>1,236,382</u>                       | <u>2,906,201</u>     |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH<br/>EQUIVALENTS</b>          | (6,227,949)                            | 8,390,765            |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE<br/>PERIOD</b>      | <u>70,065,700</u>                      | <u>54,299,407</u>    |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>                | <u>\$ 63,837,751</u>                   | <u>\$ 62,690,172</u> |

(Continued)

## E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

|   | <u>March 31</u>      |                      |
|---|----------------------|----------------------|
|   | <u>2021</u>          | <u>2020</u>          |
| RECONCILIATIONS OF THE AMOUNTS IN THE CONSOLIDATED STATEMENTS OF CASH FLOWS WITH THE EQUIVALENT ITEMS REPORTED IN THE CONSOLIDATED BALANCE SHEETS AS OF MARCH 31, 2021 AND 2020 |                      |                      |
| Cash and cash equivalents in the consolidated balance sheets  | \$ 48,361,767        | \$ 48,680,498        |
| Due from the Central Bank and call loans to other banks in accordance with cash and cash equivalents under IAS 7 “Statement of Cash Flows”                                      | 11,994,171           | 12,244,793           |
| Securities purchased under resell agreements in accordance with the definition of cash and cash equivalents under IAS 7 “Statement of Cash Flows”                               | <u>3,481,813</u>     | <u>1,764,881</u>     |
| Cash and cash equivalents at the end of the period  | <u>\$ 63,837,751</u> | <u>\$ 62,690,172</u> |

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

(Concluded)

# **E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)**

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### **1. ORGANIZATION AND OPERATIONS**

E.SUN Financial Holding Company, Ltd. (ESFHC) was established by E.SUN Commercial Bank, Ltd. (E.SUN Bank), E.SUN Bills Finance Corp. (E.SUN Bills) and E.SUN Securities Corp. (E.SUN Securities) through a share swap on January 28, 2002 based on the Financial Holding Companies Law and related regulations in the Republic of China (ROC). The ESFHC's shares have been listed on the Taiwan Stock Exchange (TWSE) since January 28, 2002. After the share swap, E.SUN Bank, E.SUN Bills and E.SUN Securities became wholly owned subsidiaries of ESFHC.

ESFHC invests in and manages financial institutions.

E.SUN Bank engages in banking activities permitted by the Banking Law of the ROC. The operations of E.SUN Bank's Trust Department consist of planning, managing and operating the trust business. These operations are regulated under the Banking Law and Trust Law of the ROC. As of March 31, 2021, E.SUN Bank had a business department, an international banking department, a trust department, a credit card and payment division, an offshore banking unit (OBU), an insurance agent department, 8 overseas branches, and 138 domestic branches.

To integrate resources, enhance operating effectiveness, strengthen E.SUN Bank's equity structure, and ensure its long-term development, the stockholders of E.SUN Bank and E.SUN Bills resolved E.SUN Bank's merger with E.SUN Bills on August 25, 2006, to have a merger with each other, with E.SUN Bank as the surviving entity. The effective date of this merger is December 25, 2006.

E.SUN Bank acquired the assets, liabilities, and business of Chiayi The Fourth Credit Cooperative and Chu Nan Credit-Cooperative Association on November 3, 2012 and July 9, 2011, respectively.

To expand economies of scale, improve integrated marketing, reduce operating costs and develop operating synergy, the stockholders of E.SUN Bank and E.SUN Insurance Broker Co., Ltd. (ESIB) resolved E.SUN Bank's merger with ESIB on August 21, 2015, with E.SUN Bank as the surviving entity. The effective date of this merger is March 25, 2016.

Union Commercial Bank PLC. (UCB) was founded in March 1994, under the Laws of the Kingdom of Cambodia. UCB is engaged in banking activities permitted by the Laws of the Kingdom of Cambodia. E.SUN Bank acquired 70% equity interest of UCB on August 28, 2013, and on December 29, 2015, E.SUN Bank acquired from non-controlling interests for additional 5% shares of UCB, which increased its continuing interest from 70% to 75%. E.SUN Bank acquired residual 25% equity interest of UCB on August 25, 2017.

In January 2016, E.SUN Bank (China), Ltd. (ESBC) began its formal launch after acquiring the approval of the Financial Supervisory Commission (FSC) and the China Bank Regulatory Commission. The registered capital of ESBC is CNY two billion, and ESBC has been opened in Shenzhen, China on March 11, 2016. ESBC is engaged in banking activities permitted by the laws of Mainland China.

E.SUN Securities, as an integrated securities firm, engages in underwriting, dealing and brokerage of securities. The FSC approved the brokerage of futures on January 28, 2010 and E.SUN Securities started the operating in brokerage of futures on June 7, 2010. In addition, the FSC approved the dealing of futures on June 4, 2014 and E.SUN Securities started the operating in dealing of futures on June 12, 2014.

E.SUN Venture Capital Co., Ltd. (ESVC) engages in venture capital investments.

To expand business in electronic commerce, E.SUN Bank's board of directors resolved the acquisition of 7,875 thousand common shares of BankPro E-Service Technology Co., Ltd. (BankPro) on November 13, 2015. This acquisition was approved by the authorities and settled on January 11, 2016, and BankPro was included in the consolidated financial statements from the acquisition date.

BankPro is engaged in retail sale of computer software, software design service, data processing service, digital information supply service and business consultant.

For the three months ended March 31, 2021 and 2020, the average number of employees of the Company (ESBC, UCB and BankPro excluded) was 9,508 and 9,239, respectively. For the three months ended March 31, 2021 and 2020, the average number of employees of ESBC, UCB and BankPro was 937 and 863, respectively.

For more information on the consolidated entities, please refer to Table 1 (attached).

The operating units of ESFHC and its subsidiaries (collectively, the "Company") maintain their accounts in their respective functional currencies. The consolidated financial statements are presented in New Taiwan dollars.

## **2. APPROVAL OF FINANCIAL STATEMENTS**

The board of directors of ESFHC, in their meeting on May 12, 2021, approved and authorized the consolidated financial statements for issue.

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

- a. Influences of the Company initially applied amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the FSC

Except for the following, the initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Company's accounting policies:

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform - Phase 2"

The Company elected to apply the practical expedient provided in the amendment to deal with the changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities resulting from the interest rate benchmark reform. The changes are accounted for by updating the effective interest rate at the time the basis is changed, provided the changes are necessary as a direct consequence of the reform and the new basis is economically equivalent to the previous basis.

- b. Not yet applied new IFRSs announced by IASB but not yet endorsed and issued into effect by the FSC

| <b>The New IFRSs</b>   | <b>Effective Date<br/>Announced by IASB (Note 1)</b> |
|--|--|
| “Annual Improvements to IFRS Standards 2018-2020”  | January 1, 2022 (Note 2)                             |
| Amendments to IFRS 3 “Reference to the Conceptual Framework”   | January 1, 2022 (Note 3)                             |
| 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 IAS 1 “Classification of Liabilities as Current or Non-current”  | January 1, 2023                                      |
| Amendments to IAS 1 “Disclosure of Accounting Policies”  | January 1, 2023 (Note 6)                             |
| Amendments to IAS 8 “Definition of Accounting Estimates”   | January 1, 2023 (Note 7)                             |
| Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”                  | January 1, 2023 (Note 8)                             |
| Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”                                      | January 1, 2022 (Note 4)                             |
| Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”   | January 1, 2022 (Note 5)                             |

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

Note 2: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 “Agriculture” will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoptions of IFRSs” will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 3: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 4: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 5: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

Note 6: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 7: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 8: Except that deferred taxes will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

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

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Disclosure information included in the interim consolidated financial statements is less than those required in a complete set of annual consolidated financial statements.

##### b. Basis of preparation

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

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 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 prices) or indirectly (i.e. derived from prices); and
- 3) Level 3 inputs are unobservable inputs for the asset or liability.

##### c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of ESFHC, and the entities controlled by ESFHC, including E.SUN Bank, UCB (subsidiary of E.SUN Bank), ESBC (subsidiary of E.SUN Bank), BankPro (subsidiary of E.SUN Bank), E.SUN Securities, E.SUN Securities Investment Consulting Corp. (subsidiary of E.SUN Securities), and ESVC.

The accounting policies of ESFHC and subsidiaries are consistent.

All significant intercompany transactions and balances have been eliminated for consolidation purposes. E.SUN Bank's financial statements include the accounts of its Head Office, OBU, and all branches. All intra-bank transactions and balances have been eliminated.

Total comprehensive income of subsidiaries is attributed to the owners of the ESFHC and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

d. Other significant accounting policies

Except for those described below, please refer to consolidated financial statements as of December 31, 2020 for details of summary of significant accounting policies.

1) Post-employment benefits

Pension cost for defined benefit retirement plans of 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.

2) Taxation

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

3) Modification of financial instruments

For the changes in the basis for determining contractual cash flows of financial assets or financial liabilities resulting from the interest rate benchmark reform, the Company elects to apply the practical expedient in which the changes are accounted for by updating the effective interest rate at the time the basis is changed, provided the changes are necessary as a direct consequence of the reform and the new basis is economically equivalent to the previous basis.

## 5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same critical accounting judgements and key sources of estimation uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the Company's consolidated financial statements for the year ended December 31, 2020. Please refer to Note 5 to the consolidated financial statements as of December 31, 2020 for the details of critical accounting judgements and key sources of estimation uncertainty.

## 6. CASH AND CASH EQUIVALENTS

|                                     | <b>March 31, 2021</b> | <b>December 31,<br/>2020</b> | <b>March 31, 2020</b> |
|-------------------------------------|-----------------------|------------------------------|-----------------------|
| Cash on hand                        | \$ 16,064,003         | \$ 15,071,006                | \$ 16,852,241         |
| Checks for clearing                 | 1,816,630             | 2,619,519                    | 1,965,458             |
| Due from banks                      | 30,508,850            | 36,905,775                   | 29,868,579            |
| Cash in transit                     | 835                   | 63,000                       | -                     |
|                                     | <u>48,390,318</u>     | <u>54,659,300</u>            | <u>48,686,278</u>     |
| Less: Allowance for possible losses | <u>(28,551)</u>       | <u>(18,630)</u>              | <u>(5,780)</u>        |
|                                     | <u>\$ 48,361,767</u>  | <u>\$ 54,640,670</u>         | <u>\$ 48,680,498</u>  |



Reconciliations of cash and cash equivalents between the consolidated statements of cash flows and the consolidated balance sheets as of March 31, 2021 and 2020 are shown in the consolidated statements of cash flows. Reconciliations as of December 31, 2020 are stated below.

|  | <b>December 31,<br/>2020</b> |
|--|------------------------------|
| Cash and cash equivalents, ending balance in the consolidated balance sheets   | \$ 54,640,670                |
| Due from the Central Bank and call loans to other banks in accordance with cash and cash equivalents under IAS 7 “Statement of Cash Flows” | 13,124,834                   |
| Securities purchased under resell agreements in accordance with cash and cash equivalents under IAS 7 “Statement of Cash Flows”            | <u>2,300,196</u>             |
| Cash and cash equivalents, ending balance in the consolidated statements of cash flows   | <u>\$ 70,065,700</u>         |

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

|   | <b>March 31, 2021</b> | <b>December 31,<br/>2020</b> | <b>March 31, 2020</b> |
|---|-----------------------|------------------------------|-----------------------|
| Deposit reserves - account A                                  | \$ 11,836,364         | \$ 35,157,341                | \$ 20,086,725         |
| Deposit reserves - account B                                  | 54,240,559            | 51,528,140                   | 42,980,160            |
| Reserves for deposits - foreign currency deposits             | 641,947               | 641,475                      | 559,828               |
| Due from the Central Bank - other                             | 14,366,402            | 17,521,906                   | 13,106,007            |
| Deposit in the Central Bank - deposits of government agencies | 7,401                 | 7,239                        | 6,482                 |
| Call loans to banks   | <u>13,497,410</u>     | <u>16,323,194</u>            | <u>12,882,755</u>     |
|   | 94,590,083            | 121,179,295                  | 89,621,957            |
| Less: Allowance for possible losses                           | <u>(23,690)</u>       | <u>(98,459)</u>              | <u>(74,203)</u>       |
|   | <u>\$ 94,566,393</u>  | <u>\$ 121,080,836</u>        | <u>\$ 89,547,754</u>  |

As required by law, the deposit reserves are calculated by applying the prescribed rates to the average monthly balances of various types of deposit accounts held by E.SUN Bank. The deposit reserves - account B is subject to withdrawal restrictions, but deposit reserves - account A and foreign-currency deposit reserves may be withdrawn anytime.

Under the “Directions for a National Treasury Agent Bank Acting on Behalf of the Central Bank of the Republic of China Handling National Treasury Matters”, E.SUN Bank redeposits 60% of the receipts of deposit of government agencies in the Central Bank of the Republic of China, and the amount is subject to withdrawal restrictions.

Refer to Note 40 for information relating to deposit reserves pledged as security.

## 8. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

|  | March 31, 2021        | December 31,<br>2020  | March 31, 2020        |
|--|-----------------------|-----------------------|-----------------------|
| <u>Financial assets mandatorily classified as at<br/>fair value through profit or loss</u> |                       |                       |                       |
| Negotiable certificates of deposits  | \$ 388,490,355        | \$ 421,811,630        | \$ 257,891,273        |
| Commercial paper   | 83,920,750            | 111,602,799           | 90,430,883            |
| Treasury bills   | 25,848,948            | 15,842,449            | 41,808,842            |
| Corporate bonds  | 78,416,571            | 82,888,149            | 82,239,151            |
| Bank debentures  | 55,605,463            | 55,581,196            | 75,109,238            |
| Stocks   | 5,564,418             | 4,298,755             | 2,330,679             |
| Overseas mutual funds  | 393,967               | 352,302               | 391,510               |
| Operating securities - dealing department  | 486,938               | 301,672               | 422,725               |
| Operating securities - underwriting department   | 205,076               | 231,743               | 206,854               |
| Beneficial certificates  | 19,891                | -                     | 56,512                |
| Taiwan depositary receipts   | -                     | -                     | 1,300                 |
| Currency swap contracts  | 10,674,645            | 9,594,092             | 5,530,580             |
| Interest rate swap contracts   | 7,535,227             | 12,079,630            | 13,936,924            |
| Currency option contracts  | 446,773               | 489,042               | 2,043,765             |
| Forward contracts  | 213,050               | 154,340               | 445,269               |
| Futures exchange margins   | 203,108               | 198,928               | 229,612               |
| Non-deliverable forward contracts  | 191,262               | 46,874                | 21,540                |
| Cross-currency swap contracts  | 158,752               | 335,176               | 9,700                 |
| Metal commodity swap contracts   | 1,704                 | 505                   | 7,538                 |
|  | <u>\$ 658,376,898</u> | <u>\$ 715,809,282</u> | <u>\$ 573,113,895</u> |
| <u>Held-for-trading financial liabilities</u>  |                       |                       |                       |
| Currency swap contracts  | \$ 8,267,180          | \$ 12,690,333         | \$ 4,963,776          |
| Interest rate swap contracts   | 5,239,545             | 6,443,971             | 7,245,887             |
| Currency option contracts  | 594,597               | 630,408               | 1,986,585             |
| Forward contracts  | 153,845               | 264,486               | 551,270               |
| Cross-currency swap contracts  | 154,722               | 71,092                | 49,212                |
| Non-deliverable forward contracts  | 120,400               | 35,663                | 16,273                |
| Metal commodity swap contracts   | 20,219                | 1,898                 | 374                   |
| Credit default swap contracts  | 99                    | 134                   | 48                    |
|  | <u>14,550,607</u>     | <u>20,137,985</u>     | <u>14,813,425</u>     |
| <u>Financial liabilities designated as at<br/>fair value through profit or loss</u>        |                       |                       |                       |
| Bank debentures (Note 26)  | 47,795,310            | 50,303,457            | 53,859,165            |
| Structured products  | -                     | -                     | 235,424               |
|  | <u>47,795,310</u>     | <u>50,303,457</u>     | <u>54,094,589</u>     |
|  | <u>\$ 62,345,917</u>  | <u>\$ 70,441,442</u>  | <u>\$ 68,908,014</u>  |

Refer to Note 40 for information relating to financial assets mandatorily classified as at fair value through profit or loss pledged as security.

The contract (nominal) amounts of derivative transactions by ESFHC as of March 31, 2021, December 31, 2020 and March 31, 2020, were zero.

E.SUN Bank engages in derivative transactions mainly to accommodate customers' needs, manage its exposure positions and hedge against its exchange rate and interest rate exposures as well as its credit risks as a bondholder.

The contract (nominal) amounts of derivative transactions by E.SUN Bank as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively, were as follows:

|                                   | <b>March 31, 2021</b> | <b>December 31,<br/>2020</b> | <b>March 31, 2020</b> |
|-----------------------------------|-----------------------|------------------------------|-----------------------|
| Currency swap contracts           | \$ 1,110,782,387      | \$ 984,461,105               | \$ 850,890,456        |
| Interest rate swap contracts      | 613,633,235           | 615,849,017                  | 580,777,286           |
| Currency option contracts         | 111,783,268           | 79,864,437                   | 158,118,790           |
| Forward contracts                 | 24,042,357            | 18,796,767                   | 30,332,707            |
| Non-deliverable forward contracts | 20,502,730            | 7,180,003                    | 1,564,152             |
| Cross-currency swap contracts     | 19,297,188            | 17,013,677                   | 5,975,684             |
| Metal commodity swap contracts    | 266,171               | 85,075                       | 136,380               |
| Credit default swap contracts     | 38,643                | 58,460                       | 77,767                |

The open positions of futures transactions of E.SUN Bank as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively, were as follows:

|                   |                   | <b>March 31, 2021</b>    |                                |  |                    |
|-------------------|-------------------|--------------------------|--------------------------------|--|--------------------|
| <b>Items</b>      | <b>Products</b>   | <b>Buy/Sell</b>          | <b>Open Position</b>           | <b>Contract</b>                                      | <b>Fair Values</b> |
|                   |                   |                          | <b>Number of<br/>Contracts</b> | <b>Amounts or<br/>Premium<br/>Paid<br/>(Charged)</b> |                    |
| Futures contracts | Commodity futures | Buy                      | 54                             | \$ 270,811   | \$ 282,631         |
|                   |                   | <b>December 31, 2020</b> |                                |  |                    |
| <b>Items</b>      | <b>Products</b>   | <b>Buy/Sell</b>          | <b>Open Position</b>           | <b>Contract</b>                                      | <b>Fair Values</b> |
|                   |                   |                          | <b>Number of<br/>Contracts</b> | <b>Amounts or<br/>Premium<br/>Paid<br/>(Charged)</b> |                    |
| Futures contracts | Commodity futures | Buy                      | 41                             | \$ 154,097   | \$ 154,369         |
|                   | Commodity futures | Sell                     | 34                             | 162,038  | 169,328            |
|                   |                   | <b>March 31, 2020</b>    |                                |  |                    |
| <b>Items</b>      | <b>Products</b>   | <b>Buy/Sell</b>          | <b>Open Position</b>           | <b>Contract</b>                                      | <b>Fair Values</b> |
|                   |                   |                          | <b>Number of<br/>Contracts</b> | <b>Amounts or<br/>Premium<br/>Paid<br/>(Charged)</b> |                    |
| Futures contracts | Commodity futures | Buy                      | 47                             | \$ 112,166   | \$ 104,907         |
|                   | Commodity futures | Sell                     | 24                             | 87,384   | 86,573             |

As of March 31, 2021, December 31, 2020 and March 31, 2020, the amounts of futures exchange margins receivable held by E.SUN Securities were \$160,504 thousand, \$168,768 thousand and \$206,953 thousand, respectively.

The open position of futures and option transactions of E.SUN Securities as of March 31, 2021, December 31, 2020 and March 31, 2020 were as follows:

| <b>March 31, 2021</b>    |                      |                      |                  |                   |                    |
|--------------------------|----------------------|----------------------|------------------|-------------------|--------------------|
| <b>Items</b>             | <b>Products</b>      | <b>Open Position</b> |                  | <b>Contract</b>   | <b>Fair Values</b> |
|                          |                      | <b>Buy/Sell</b>      | <b>Number of</b> | <b>Amounts or</b> |                    |
|                          |                      |                      | <b>Contracts</b> | <b>Paid</b>       |                    |
|                          |                      |                      |                  | <b>(Charged)</b>  |                    |
| Futures contracts        | Stock Index Futures  | Buy                  | 7                | \$ 13,095         | \$ 13,138          |
|                          | Single Stock Futures | Sell                 | 7                | 9,170             | 9,426              |
| <b>December 31, 2020</b> |                      |                      |                  |                   |                    |
| <b>Items</b>             | <b>Products</b>      | <b>Open Position</b> |                  | <b>Contract</b>   | <b>Fair Values</b> |
|                          |                      | <b>Buy/Sell</b>      | <b>Number of</b> | <b>Amounts or</b> |                    |
|                          |                      |                      | <b>Contracts</b> | <b>Paid</b>       |                    |
|                          |                      |                      |                  | <b>(Charged)</b>  |                    |
| Futures contracts        | Single Stock Futures | Sell                 | 130              | \$ 24,875         | \$ 24,767          |
| <b>March 31, 2020</b>    |                      |                      |                  |                   |                    |
| <b>Items</b>             | <b>Products</b>      | <b>Open Position</b> |                  | <b>Contract</b>   | <b>Fair Values</b> |
|                          |                      | <b>Buy/Sell</b>      | <b>Number of</b> | <b>Amounts or</b> |                    |
|                          |                      |                      | <b>Contracts</b> | <b>Paid</b>       |                    |
|                          |                      |                      |                  | <b>(Charged)</b>  |                    |
| Futures contracts        | Stock Index Futures  | Sell                 | 23               | \$ 15,025         | \$ 15,352          |
|                          | Single Stock Futures | Buy                  | 9                | 103               | 94                 |
|                          | Single Stock Futures | Sell                 | 34               | 22,264            | 22,704             |

The gains or losses resulting from the futures and option contracts of E.SUN Securities were as follows:

|                        | <b>For the Three Months Ended March 31</b> |                       |                       |                       |
|------------------------|--|-----------------------|-----------------------|-----------------------|
|                        | <b>2021</b>                                |                       | <b>2020</b>           |                       |
|                        | <b>Gains (Losses)</b>                      | <b>Gains (Losses)</b> | <b>Gains (Losses)</b> | <b>Gains (Losses)</b> |
|                        | <b>on Futures</b>                          | <b>on Option</b>      | <b>on Futures</b>     | <b>on Option</b>      |
|                        | <b>Contracts</b>                           | <b>Transactions</b>   | <b>Contracts</b>      | <b>Transactions</b>   |
| Realized - non-hedge   | \$ 3,215                                   | \$ -                  | \$ 48,902             | \$ -                  |
| Unrealized - non-hedge | (320)                                      | -                     | (743)                 | -                     |
| Realized - hedged      | -  | -                     | -                     | -                     |
| Unrealized - hedged    | -  | -                     | -                     | -                     |
|                        | <u>\$ 2,895</u>                            | <u>\$ -</u>           | <u>\$ 48,159</u>      | <u>\$ -</u>           |

**9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVTOCI)**

|   | <b>March 31, 2021</b> | <b>December 31, 2020</b> | <b>March 31, 2020</b> |
|---|-----------------------|--------------------------|-----------------------|
| Investments in equity instruments at FVTOCI | \$ 14,742,969         | \$ 9,377,128             | \$ 5,673,658          |
| Investments in debt instruments at FVTOCI   | <u>295,087,716</u>    | <u>254,525,732</u>       | <u>210,096,964</u>    |
|   | <u>\$ 309,830,685</u> | <u>\$ 263,902,860</u>    | <u>\$ 215,770,622</u> |

a. Investments in equity instruments at FVTOCI

|                                   | <b>March 31, 2021</b> | <b>December 31, 2020</b> | <b>March 31, 2020</b> |
|-----------------------------------|-----------------------|--------------------------|-----------------------|
| Listed shares and emerging stocks | \$ 13,423,812         | \$ 8,062,853             | \$ 4,497,875          |
| Unlisted shares                   | <u>1,319,157</u>      | <u>1,314,275</u>         | <u>1,175,783</u>      |
|                                   | <u>\$ 14,742,969</u>  | <u>\$ 9,377,128</u>      | <u>\$ 5,673,658</u>   |

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

For the three months ended March 31, 2021 and 2020, the Company sold shares of stocks for \$861,973 thousand and \$2,111,858 thousand, respectively, for the return on investment positions and risk management. The related other equity - unrealized gain of \$510,206 thousand and unrealized loss of \$630,582 thousand on financial assets at FVTOCI were transferred to retained earnings, respectively.

Dividends income of \$7,512 thousand and \$8,209 thousand were recognized in profit or loss for the three months ended March 31, 2021 and 2020, respectively. The dividends related to investments held at the end of the reporting period were \$7,512 thousand and \$7,375 thousand, respectively.

b. Investments in debt instruments at FVTOCI

|                                    | <b>March 31, 2021</b> | <b>December 31, 2020</b> | <b>March 31, 2020</b> |
|------------------------------------|-----------------------|--------------------------|-----------------------|
| Bank debentures                    | \$ 135,692,301        | \$ 122,689,738           | \$ 100,604,747        |
| Government bonds                   | 90,190,016            | 72,235,130               | 69,633,090            |
| Corporate bonds                    | 58,634,829            | 52,362,566               | 34,533,896            |
| Overseas bonds                     | 9,282,745             | 6,179,000                | 3,810,546             |
| Negotiable certificates of deposit | 857,929               | 858,233                  | 1,514,685             |
| Discounted note                    | <u>429,896</u>        | <u>201,065</u>           | <u>-</u>              |
|                                    | <u>\$ 295,087,716</u> | <u>\$ 254,525,732</u>    | <u>\$ 210,096,964</u> |

As of March 31, 2021, December 31, 2020 and March 31, 2020, the investments in debt instruments at FVTOCI, which amounted to \$14,108,454 thousand, \$12,153,396 thousand and \$8,745,239 thousand, respectively, had been sold under repurchase agreements.

Refer to Note 43 for information relating to their credit risk management and impairment.

Refer to Note 40 for information relating to investments in debt instruments at FVTOCI pledged as security.

## 10. INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST

|                                     | March 31, 2021       | December 31,<br>2020 | March 31, 2020       |
|-------------------------------------|----------------------|----------------------|----------------------|
| Overseas bonds                      | \$ 11,079,772        | \$ 11,418,794        | \$ 9,477,704         |
| Bank debentures                     | 9,919,534            | 4,375,794            | 3,784,874            |
| Corporate bonds                     | 1,815,170            | 573,000              | 456,815              |
| Overseas certificates of deposits   | <u>128,390</u>       | <u>99,785</u>        | <u>75,653</u>        |
|                                     | 22,942,866           | 16,467,373           | 13,795,046           |
| Less: Allowance for impairment loss | <u>(4,142)</u>       | <u>(1,575)</u>       | <u>(1,492)</u>       |
|                                     | <u>\$ 22,938,724</u> | <u>\$ 16,465,798</u> | <u>\$ 13,793,554</u> |

As of March 31, 2020, the investments in debt instruments at amortized cost, which amounted to \$846,173 thousand, had been sold under repurchase agreements.

Refer to Note 43 for information relating to their credit risk management and impairment.

Refer to Note 40 for information relating to investments in debt instruments at amortized cost pledged as security.

## 11. SECURITIES PURCHASED UNDER RESELL AGREEMENTS

Securities acquired for \$3,481,813 thousand, \$2,300,196 thousand and \$1,764,881 thousand under resell agreements as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively, would subsequently be sold for \$3,482,218 thousand, \$2,300,509 thousand and \$1,765,473 thousand, respectively.

## 12. RECEIVABLES, NET

|   | March 31, 2021        | December 31,<br>2020  | March 31, 2020        |
|---|-----------------------|-----------------------|-----------------------|
| Receivables on credit cards                   | \$ 75,099,702         | \$ 82,028,666         | \$ 73,380,698         |
| Accounts receivable factored without recourse | 10,119,617            | 10,909,402            | 12,072,418            |
| Margin loans receivable                       | 7,480,836             | 6,363,310             | 3,453,017             |
| Accrued interest                              | 3,972,155             | 3,639,808             | 4,169,315             |
| Accounts receivable                           | 3,326,341             | 3,519,170             | 10,156,577            |
| Settlements receivable                        | 6,680,134             | 4,651,650             | 2,580,781             |
| Acceptances                                   | 1,739,797             | 1,701,757             | 1,411,376             |
| Securities business money lending             | 1,089,750             | 1,076,728             | 1,033,496             |
| Settlement consideration                      | -                     | 2,350,261             | -                     |
| Others  | <u>2,190,927</u>      | <u>2,294,954</u>      | <u>1,598,939</u>      |
|   | 111,699,259           | 118,535,706           | 109,856,617           |
| Less: Allowance for possible losses           | <u>(1,853,120)</u>    | <u>(1,849,495)</u>    | <u>(1,905,518)</u>    |
|   | <u>\$ 109,846,139</u> | <u>\$ 116,686,211</u> | <u>\$ 107,951,099</u> |

The changes in allowance for possible losses of receivables were as follows:

For the three months ended March 31, 2021

| <b>Allowance for Possible Losses</b>   | <b>12-month ECL</b> | <b>Lifetime ECL</b> | <b>Lifetime ECL (Credit-impaired Financial Assets)</b> | <b>Impairment Loss under IFRS 9</b> | <b>Difference of Impairment Loss under Regulations</b> | <b>Total</b>        |
|--|---------------------|---------------------|--|-------------------------------------|--|---------------------|
| Balance at January 1, 2021   | \$ 180,954          | \$ 25,811           | \$ 369,808   | \$ 576,573                          | \$ 1,272,922   | \$ 1,849,495        |
| Changes of financial instruments recognized at the beginning of the reporting period |                     |                     |  |                                     |  |                     |
| Transfers to   |                     |                     |  |                                     |  |                     |
| Lifetime ECL   | (429)               | 1,011               | (582)  | -                                   | -  | -                   |
| Credit-impaired financial assets   | (463)               | (12,842)            | 13,305   | -                                   | -  | -                   |
| 12-month ECL   | 13,107              | (9,887)             | (3,220)  | -                                   | -  | -                   |
| Derecognition of financial assets in the reporting period                            | (5,000)             | (612)               | (6,556)  | (12,168)                            | -  | (12,168)            |
| New financial assets purchased or originated   | 1,874               | 94                  | 605  | 2,573                               | -  | 2,573               |
| Difference of impairment loss under regulations                                      | -                   | -                   | -  | -                                   | 132,856  | 132,856             |
| Write-offs   | -                   | -                   | (109,917)  | (109,917)                           | -  | (109,917)           |
| Recovery of written-off receivables  | -                   | -                   | 112,314  | 112,314                             | -  | 112,314             |
| Change in model or risk parameters   | (141,533)           | 5,652               | 14,586   | (121,295)                           | -  | (121,295)           |
| Change in exchange rates or others   | <u>5</u>            | <u>-</u>            | <u>(354)</u>   | <u>(349)</u>                        | <u>(389)</u>   | <u>(738)</u>        |
| Balance at March 31, 2021  | <u>\$ 48,515</u>    | <u>\$ 9,227</u>     | <u>\$ 389,989</u>                                      | <u>\$ 447,731</u>                   | <u>\$ 1,405,389</u>                                    | <u>\$ 1,853,120</u> |

For the three months ended March 31, 2020

| <b>Allowance for Possible Losses</b>   | <b>12-month ECL</b> | <b>Lifetime ECL</b> | <b>Lifetime ECL (Credit-impaired Financial Assets)</b> | <b>Impairment Loss under IFRS 9</b> | <b>Difference of Impairment Loss under Regulations</b> | <b>Total</b>        |
|--|---------------------|---------------------|--|-------------------------------------|--|---------------------|
| Balance at January 1, 2020   | \$ 95,768           | \$ 9,451            | \$ 714,159   | \$ 819,378                          | \$ 1,166,793   | \$ 1,986,171        |
| Changes of financial instruments recognized at the beginning of the reporting period |                     |                     |  |                                     |  |                     |
| Transfers to   |                     |                     |  |                                     |  |                     |
| Lifetime ECL   | (246)               | 1,001               | (755)  | -                                   | -  | -                   |
| Credit-impaired financial assets   | (216)               | (4,227)             | 4,443  | -                                   | -  | -                   |
| 12-month ECL   | 13,677              | (6,637)             | (7,040)  | -                                   | -  | -                   |
| Derecognition of financial assets in the reporting period                            | (3,520)             | (511)               | (16,096)   | (20,127)                            | -  | (20,127)            |
| New financial assets purchased or originated   | 5,658               | 505                 | 1,480  | 7,643                               | -  | 7,643               |
| Difference of impairment loss under regulations                                      | -                   | -                   | -  | -                                   | 113,665  | 113,665             |
| Write-offs   | -                   | -                   | (194,722)  | (194,722)                           | -  | (194,722)           |
| Recovery of written-off receivables  | -                   | -                   | 112,656  | 112,656                             | -  | 112,656             |
| Change in model or risk parameters   | 831                 | 27,103              | (142,796)  | (114,862)                           | -  | (114,862)           |
| Change in exchange rates or others   | <u>1,725</u>        | <u>1</u>            | <u>6,372</u>   | <u>8,098</u>                        | <u>6,996</u>   | <u>15,094</u>       |
| Balance at March 31, 2020  | <u>\$ 113,677</u>   | <u>\$ 26,686</u>    | <u>\$ 477,701</u>                                      | <u>\$ 618,064</u>                   | <u>\$ 1,287,454</u>                                    | <u>\$ 1,905,518</u> |

The changes in gross carrying amount of receivables were as follows:

For the three months ended March 31, 2021

| <b>Gross Carrying Amount</b>                              | <b>12-month ECL</b>   | <b>Lifetime ECL</b> | <b>Lifetime ECL<br/>(Credit-<br/>impaired<br/>Financial<br/>Assets)</b> | <b>Total</b>          |
|---|-----------------------|---------------------|---|-----------------------|
| Balance at January 1, 2021                                | \$ 115,718,626        | \$ 159,613          | \$ 2,657,467  | \$ 118,535,706        |
| Transfers to  |                       |                     |   |                       |
| Lifetime ECL  | (173,309)             | 174,324             | (1,015)   | -                     |
| Credit-impaired financial assets                          | (236,932)             | (75,400)            | 312,332   | -                     |
| 12-month ECL  | 74,445                | (63,212)            | (11,233)  | -                     |
| Derecognition of financial assets in the reporting period | (33,966,742)          | (6,660)             | (163,581)   | (34,136,983)          |
| New financial assets purchased or originated              | 27,386,182            | 5,743               | 27,675  | 27,419,600            |
| Write-offs  | -                     | -                   | (109,917)   | (109,917)             |
| Change in exchange rates or others                        | <u>(9,149)</u>        | <u>2</u>            | <u>-</u>  | <u>(9,147)</u>        |
| Balance at March 31, 2021                                 | <u>\$ 108,793,121</u> | <u>\$ 194,410</u>   | <u>\$ 2,711,728</u>   | <u>\$ 111,699,259</u> |

For the three months ended March 31, 2020

| <b>Gross Carrying Amount</b>                              | <b>12-month ECL</b>   | <b>Lifetime ECL</b> | <b>Lifetime ECL<br/>(Credit-<br/>impaired<br/>Financial<br/>Assets)</b> | <b>Total</b>          |
|---|-----------------------|---------------------|---|-----------------------|
| Balance at January 1, 2020                                | \$ 111,851,008        | \$ 215,995          | \$ 3,069,534  | \$ 115,136,537        |
| Transfers to  |                       |                     |   |                       |
| Lifetime ECL  | (292,172)             | 293,708             | (1,536)   | -                     |
| Credit-impaired financial assets                          | (250,935)             | (89,479)            | 340,414   | -                     |
| 12-month ECL  | 170,643               | (155,128)           | (15,515)  | -                     |
| Derecognition of financial assets in the reporting period | (29,658,801)          | (31,732)            | (222,082)   | (29,912,615)          |
| New financial assets purchased or originated              | 24,600,483            | 9,011               | 47,856  | 24,657,350            |
| Write-offs  | -                     | -                   | (194,722)   | (194,722)             |
| Change in exchange rates or others                        | <u>162,638</u>        | <u>303</u>          | <u>7,126</u>  | <u>170,067</u>        |
| Balance at March 31, 2020                                 | <u>\$ 106,582,864</u> | <u>\$ 242,678</u>   | <u>\$ 3,031,075</u>   | <u>\$ 109,856,617</u> |



### 13. DISCOUNTS AND LOANS, NET

|   | March 31, 2021          | December 31,<br>2020    | March 31, 2020          |
|---|-------------------------|-------------------------|-------------------------|
| Loans                                   |                         |                         |                         |
| Short-term                              | \$ 283,116,815          | \$ 289,538,356          | \$ 309,143,813          |
| Medium-term                             | 388,199,892             | 389,645,712             | 353,338,516             |
| Long-term                               | 962,362,529             | 958,176,513             | 834,947,283             |
| Overdue loans                           | 2,203,044               | 2,303,655               | 2,223,141               |
| Bills negotiated and discounts          | <u>1,917,540</u>        | <u>1,371,972</u>        | <u>1,824,893</u>        |
|   | 1,637,799,820           | 1,641,036,208           | 1,501,477,646           |
| Less: Allowance for possible losses     | (20,252,594)            | (20,608,721)            | (18,172,002)            |
| Less: Adjustment of premium or discount | <u>(53,543)</u>         | <u>(53,419)</u>         | <u>(126,843)</u>        |
|   | <u>\$ 1,617,493,683</u> | <u>\$ 1,620,374,068</u> | <u>\$ 1,483,178,801</u> |

Refer to Note 40 for information relating to discounts and loans pledged as security.

As of March 31, 2021, December 31, 2020 and March 31, 2020, the loan and credit balances of E.SUN Bank, for which the accrual of interest revenues was discontinued, amounted to \$2,203,044 thousand, \$2,303,655 thousand and \$1,922,901 thousand, respectively. The unrecognized interest revenues on these loans and credits of E.SUN Bank were \$9,621 thousand and \$10,468 thousand for the three months ended March 31, 2021 and 2020, respectively.

The changes in allowance for possible losses of discount and loans were as follows:

#### For the three months ended March 31, 2021

| Allowance for Possible Losses  | 12-month ECL      | Lifetime ECL      | Lifetime ECL<br>(Credit-<br>impaired<br>Financial Assets) | Impairment<br>Loss under<br>IFRS 9 | Difference of<br>Impairment<br>Loss under<br>Regulations | Total                |
|--|-------------------|-------------------|---|------------------------------------|--|----------------------|
| Balance at January 1, 2021   | \$ 3,536,235      | \$ 1,092,418      | \$ 3,728,502  | \$ 8,357,155                       | \$ 12,251,566  | \$ 20,608,721        |
| Changes of financial instruments<br>recognized at the beginning of the<br>reporting period |                   |                   |   |                                    |  |                      |
| Transfers to   |                   |                   |   |                                    |  |                      |
| Lifetime ECL   | (23,178)          | 54,819            | (31,641)  | -                                  | -  | -                    |
| Credit-impaired financial assets   | (3,151)           | (134,023)         | 137,174   | -                                  | -  | -                    |
| 12-month ECL   | 391,132           | (364,107)         | (27,025)  | -                                  | -  | -                    |
| Derecognition of financial assets in the<br>reporting period                               | (175,314)         | (43,659)          | (261,315)   | (480,288)                          | -  | (480,288)            |
| New financial assets purchased or<br>originated  | 80,822            | 41,963            | 78,652  | 201,437                            | -  | 201,437              |
| Difference of impairment loss under<br>regulations   | -                 | -                 | -   | -                                  | 3,005,531  | 3,005,531            |
| Write-offs   | -                 | -                 | (362,514)   | (362,514)                          | -  | (362,514)            |
| Recovery of written-off credits  | -                 | -                 | 295,605   | 295,605                            | -  | 295,605              |
| Change in model or risk parameters   | (2,965,683)       | 229,718           | (276,600)   | (3,012,565)                        | -  | (3,012,565)          |
| Change in exchange rates or others   | <u>(196)</u>      | <u>(290)</u>      | <u>(105)</u>  | <u>(591)</u>                       | <u>(2,742)</u>   | <u>(3,333)</u>       |
| Balance at March 31, 2021  | <u>\$ 840,667</u> | <u>\$ 876,839</u> | <u>\$ 3,280,733</u>                                       | <u>\$ 4,998,239</u>                | <u>\$ 15,254,355</u>                                     | <u>\$ 20,252,594</u> |

For the three months ended March 31, 2020

| Allowance for Possible Losses  | 12-month ECL        | Lifetime ECL      | Lifetime ECL<br>(Credit-<br>impaired<br>Financial Assets) | Impairment<br>Loss under<br>IFRS 9 | Difference of<br>Impairment<br>Loss under<br>Regulations | Total                |
|--|---------------------|-------------------|---|------------------------------------|--|----------------------|
| Balance at January 1, 2020   | \$ 1,062,925        | \$ 373,445        | \$ 3,817,631  | \$ 5,254,001                       | \$ 12,485,286  | \$ 17,739,287        |
| Changes of financial instruments<br>recognized at the beginning of the<br>reporting period |                     |                   |   |                                    |  |                      |
| Transfers to   |                     |                   |   |                                    |  |                      |
| Lifetime ECL   | (3,615)             | 17,603            | (13,988)  | -                                  | -  | -                    |
| Credit-impaired financial assets   | (1,131)             | (83,449)          | 84,580  | -                                  | -  | -                    |
| 12-month ECL   | 85,597              | (72,664)          | (12,933)  | -                                  | -  | -                    |
| Derecognition of financial assets in the<br>reporting period                               | (198,625)           | (70,193)          | (263,155)   | (531,973)                          | -  | (531,973)            |
| New financial assets purchased or<br>originated  | 309,941             | 6,024             | 311,590   | 627,555                            | -  | 627,555              |
| Difference of impairment loss under<br>regulations   | -                   | -                 | -   | -                                  | (680,236)  | (680,236)            |
| Write-offs   | -                   | -                 | (136,776)   | (136,776)                          | -  | (136,776)            |
| Recovery of written-off credits  | -                   | -                 | 316,567   | 316,567                            | -  | 316,567              |
| Change in model or risk parameters   | 865,426             | 168,415           | (200,020)   | 833,821                            | -  | 833,821              |
| Change in exchange rates or others   | (622)               | 62                | (2,210)   | (2,770)                            | 6,527  | 3,757                |
| Balance at March 31, 2020  | <u>\$ 2,119,896</u> | <u>\$ 339,243</u> | <u>\$ 3,901,286</u>                                       | <u>\$ 6,360,425</u>                | <u>\$ 11,811,577</u>                                     | <u>\$ 18,172,002</u> |

The changes in gross carrying amount of discount and loans were as follows:

For the three months ended March 31, 2021

| Gross Carrying Amount  | 12-month ECL            | Lifetime ECL        | Lifetime ECL<br>(Credit-<br>impaired<br>Financial Assets) | Total                   |
|--|-------------------------|---------------------|---|-------------------------|
| Balance at January 1, 2021                                   | \$ 1,628,484,018        | \$ 4,313,659        | \$ 8,238,531  | \$ 1,641,036,208        |
| Transfers to   |                         |                     |   |                         |
| Lifetime ECL   | (1,480,125)             | 1,640,927           | (160,802)   | -                       |
| Credit-impaired financial assets                             | (497,880)               | (529,986)           | 1,027,866   | -                       |
| 12-month ECL   | 1,000,335               | (856,155)           | (144,180)   | -                       |
| Derecognition of financial assets in the<br>reporting period | (258,624,750)           | (785,545)           | (778,201)   | (260,188,496)           |
| New financial assets purchased or<br>originated              | 257,293,228             | 232,341             | 122,368   | 257,647,937             |
| Write-offs   | -                       | -                   | (362,514)   | (362,514)               |
| Change in exchange rates or others                           | (332,237)               | (504)               | (574)   | (333,315)               |
| Balance at March 31, 2021                                    | <u>\$ 1,625,842,589</u> | <u>\$ 4,014,737</u> | <u>\$ 7,942,494</u>                                       | <u>\$ 1,637,799,820</u> |

For the three months ended March 31, 2020

| Gross Carrying Amount  | 12-month ECL            | Lifetime ECL        | Lifetime ECL<br>(Credit-<br>impaired<br>Financial Assets) | Total                   |
|--|-------------------------|---------------------|---|-------------------------|
| Balance at January 1, 2020                                   | \$ 1,449,611,336        | \$ 4,245,682        | \$ 8,330,806  | \$ 1,462,187,824        |
| Transfers to   |                         |                     |   |                         |
| Lifetime ECL   | (831,096)               | 946,717             | (115,621)   | -                       |
| Credit-impaired financial assets                             | (513,540)               | (530,098)           | 1,043,638   | -                       |
| 12-month ECL   | 475,296                 | (410,297)           | (64,999)  | -                       |
| Derecognition of financial assets in the<br>reporting period | (262,979,456)           | (944,421)           | (811,261)   | (264,735,138)           |
| New financial assets purchased or<br>originated              | 303,750,387             | 174,308             | 427,079   | 304,351,774             |
| Write-offs   | -                       | -                   | (136,776)   | (136,776)               |
| Change in exchange rates or others                           | (188,026)               | 1,004               | (3,016)   | (190,038)               |
| Balance at March 31, 2020                                    | <u>\$ 1,489,324,901</u> | <u>\$ 3,482,895</u> | <u>\$ 8,669,850</u>                                       | <u>\$ 1,501,477,646</u> |

The provision (reversal of provision) for bad-debt expenses and provision (reversal of provision) for losses on commitments and guarantees for the three months ended March 31, 2021 and 2020 were as follows:

|  | <b>For the Three Months Ended<br/>March 31</b> |                   |
|--|--|-------------------|
|  | <b>2021</b>                                    | <b>2020</b>       |
| Provision for possible losses on due from banks  | \$ 9,860                                       | \$ 3,346          |
| Provision (reversal of provision) for possible losses on call loans to other banks           | (74,202)                                       | 44,654            |
| Provision (reversal of provision) for possible losses on receivables                         | 1,966  | (13,681)          |
| Provision (reversal of provision) for possible losses on discounts and loans                 | (285,885)                                      | 249,167           |
| Reversal of provision for possible losses on receivables-on-demand not originated from loans | (1,731)  | -                 |
| Provision for possible losses on remittance  | -  | 10                |
| Reversal of provision for possible losses on guarantees                                      | (8,915)  | (4,947)           |
| Provision for possible losses on financing commitments                                       | <u>1,018</u>                                   | <u>68,514</u>     |
|  | <u>\$ (357,889)</u>                            | <u>\$ 347,063</u> |

The FSC stipulated that banks should make at least 1.5% provisions each for sound credit assets in Mainland China (pertaining to short-term advance for trade finance) and loans for house purchases, renovations and constructions. As of March 31, 2021, December 31, 2020 and March 31, 2020, E.SUN Bank was in compliance with the FSC's provision requirement for both type of credit assets.

#### 14. OTHER FINANCIAL ASSETS, NET

|  | <b>March 31, 2021</b> | <b>December 31,<br/>2020</b> | <b>March 31, 2020</b> |
|--|-----------------------|------------------------------|-----------------------|
| Receivables-on-demand not originated from loans      | \$ 201,897            | \$ 203,628                   | \$ 211,973            |
| Less: Allowance for possible losses                  | <u>(201,897)</u>      | <u>(203,628)</u>             | <u>(211,973)</u>      |
| Receivables-on-demand not originated from loans, net | -                     | -                            | -                     |
| Due from banks                                       | 4,035,864             | 4,986,818                    | 11,520,465            |
| Guarantee deposits received on futures contracts     | 1,587,951             | 1,248,315                    | 1,091,121             |
| Others   | <u>-</u>              | <u>-</u>                     | <u>323</u>            |
|  | <u>\$ 5,623,815</u>   | <u>\$ 6,235,133</u>          | <u>\$ 12,611,909</u>  |

Guarantee deposits received on futures contracts were as follows:

|   | <b>March 31, 2021</b> | <b>December 31,<br/>2020</b> | <b>March 31, 2020</b> |
|---|-----------------------|------------------------------|-----------------------|
| Deposits in bank  | \$ 748,821            | \$ 757,786                   | \$ 639,749            |
| Deposits held by futures commission merchants<br>as a clearing member | <u>839,130</u>        | <u>490,529</u>               | <u>451,372</u>        |
|   | <u>\$ 1,587,951</u>   | <u>\$ 1,248,315</u>          | <u>\$ 1,091,121</u>   |
| Guarantee deposits received on futures contracts                      | \$ 1,587,951          | \$ 1,248,315                 | \$ 1,091,121          |
| Less: Commission revenue  | (692)                 | (535)                        | (909)                 |
| Futures transaction tax   | (246)                 | (187)                        | (286)                 |
| Temporary receipts  | <u>(1,081)</u>        | <u>(896)</u>                 | <u>(1,066)</u>        |
| Customers' equity accounts - futures (Note 30)                        | <u>\$ 1,585,932</u>   | <u>\$ 1,246,697</u>          | <u>\$ 1,088,860</u>   |

Due from banks were collateral for loans from other financial institution, deposits for operating reserve, and time deposits with maturities longer than three months.

## 15. INVESTMENT PROPERTIES, NET

|           | <b>March 31, 2021</b> | <b>December 31,<br/>2020</b> | <b>March 31, 2020</b> |
|-----------|-----------------------|------------------------------|-----------------------|
| Land      | \$ 203,085            | \$ 203,085                   | \$ 203,085            |
| Buildings | <u>1,597,500</u>      | <u>1,623,962</u>             | <u>1,615,093</u>      |
|           | <u>\$ 1,800,585</u>   | <u>\$ 1,827,047</u>          | <u>\$ 1,818,178</u>   |

Except for depreciation expenses recognized, the Company had no significant addition, disposal and impairment on investment properties during the three months ended March 31, 2021 and 2020.

Investment properties (except for land) are depreciated through 25 to 50 years on a straight-line basis.

As of March 31, 2021, December 31, 2020 and March 31, 2020, the fair values of investment properties were \$2,665,922 thousand, \$2,685,742 thousand and \$2,704,457 thousand, respectively. The fair value was classified in Level 3 and was determined using the valuation of discounted cash flow analysis method from external real estate appraiser joint firm (that were not the Company's related parties), and the comparison of price of the comparable property from external appraisal company and the Company's appraisal center.

The revenues generated from the investment properties are summarized as follows:

|  | <b>For the Three Months Ended<br/>March 31</b> |                   |
|--|--|-------------------|
|  | <b>2021</b>                                    | <b>2020</b>       |
| Rental income from investment properties   | \$ 7,851                                       | \$ 7,767          |
| Direct operating expenses of investment properties that generate<br>rental income        | (12,578)                                       | (12,403)          |
| Direct operating expenses of investment properties that do not<br>generate rental income | <u>(138)</u>                                   | <u>(145)</u>      |
|  | <u>\$ (4,865)</u>                              | <u>\$ (4,781)</u> |

Lease agreements on premises occupied by other companies and individuals are operating lease. Rentals are calculated on the basis of the leased areas and are receivable monthly, quarterly or semiannually. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods. As of March 31, 2021, December 31, 2020 and March 31, 2020, refundable deposits on these leases totaled \$12,157 thousand, \$12,253 thousand and \$12,113 thousand, respectively (part of refundable deposits). The maturity analysis of lease payments receivable under operating leases of investment properties was as follows:

|        | March 31, 2021   | December 31,<br>2020 | March 31, 2020    |
|--------|------------------|----------------------|-------------------|
| Year 1 | \$ 46,828        | \$ 46,938            | \$ 46,866         |
| Year 2 | 10,871           | 17,155               | 41,289            |
| Year 3 | 10,117           | 10,222               | 9,158             |
| Year 4 | 9,391            | 9,652                | 8,403             |
| Year 5 | <u>1,040</u>     | <u>1,430</u>         | <u>40</u>         |
|        | <u>\$ 78,247</u> | <u>\$ 85,397</u>     | <u>\$ 105,756</u> |

## 16. PROPERTIES AND EQUIPMENT, NET

|  | March 31, 2021       | December 31,<br>2020 | March 31, 2020       |
|--|----------------------|----------------------|----------------------|
| <u>Carrying amount</u>                   |                      |                      |                      |
| Land                                     | \$ 14,523,447        | \$ 14,554,054        | \$ 14,579,871        |
| Buildings                                | 9,707,562            | 9,866,670            | 10,159,890           |
| Computers                                | 2,779,187            | 2,876,149            | 2,661,572            |
| Transportation equipment                 | 417,988              | 431,600              | 344,210              |
| Miscellaneous equipment                  | 1,415,378            | 1,437,037            | 1,416,939            |
| Prepayments for properties and equipment | <u>7,226,945</u>     | <u>4,125,374</u>     | <u>4,057,388</u>     |
|  | <u>\$ 36,070,507</u> | <u>\$ 33,290,884</u> | <u>\$ 33,219,870</u> |

|                             | Land                 | Buildings            | Computers           | Transportation<br>Equipment | Miscellaneous<br>Equipment | Prepayments         | Total                |
|-----------------------------|----------------------|----------------------|---------------------|-----------------------------|----------------------------|---------------------|----------------------|
| <u>Cost</u>                 |                      |                      |                     |                             |                            |                     |                      |
| Balance, January 1, 2021    | \$ 14,554,054        | \$ 15,090,138        | \$ 6,627,046        | \$ 966,480                  | \$ 4,027,998               | \$ 4,125,374        | \$ 45,391,090        |
| Addition                    | -                    | 5,546                | 65,358              | 6,748                       | 22,411                     | 3,248,761           | 3,348,824            |
| Disposal                    | (30,809)             | (36,368)             | (37,552)            | (6,235)                     | (4,006)                    | -                   | (114,970)            |
| Net exchange difference     | 202                  | (10,518)             | (2,486)             | (709)                       | (5,108)                    | (133)               | (18,752)             |
| Reclassification and others | -                    | 3,555                | 25,073              | -                           | 17,688                     | (147,057)           | (100,741)            |
| Balance, March 31, 2021     | <u>\$ 14,523,447</u> | <u>\$ 15,052,353</u> | <u>\$ 6,677,439</u> | <u>\$ 966,284</u>           | <u>\$ 4,058,983</u>        | <u>\$ 7,226,945</u> | <u>\$ 48,505,451</u> |
| Balance, January 1, 2020    | \$ 14,578,440        | \$ 14,972,783        | \$ 6,529,045        | \$ 877,535                  | \$ 3,933,228               | \$ 4,063,650        | \$ 44,954,681        |
| Addition                    | -                    | 7,228                | 119,405             | 23,718                      | 35,533                     | 175,544             | 361,428              |
| Disposal                    | -                    | -                    | (46,811)            | (25,809)                    | (11,932)                   | -                   | (84,552)             |
| Net exchange difference     | 1,431                | (14,082)             | (3,300)             | (558)                       | (5,670)                    | 7                   | (22,172)             |
| Reclassification and others | -                    | 16,519               | 63,792              | -                           | 19,093                     | (181,813)           | (82,409)             |
| Balance, March 31, 2020     | <u>\$ 14,579,871</u> | <u>\$ 14,982,448</u> | <u>\$ 6,662,131</u> | <u>\$ 874,886</u>           | <u>\$ 3,970,252</u>        | <u>\$ 4,057,388</u> | <u>\$ 45,126,976</u> |

|  | Land        | Buildings             | Computers             | Transportation Equipment | Miscellaneous Equipment | Total                  |
|--|-------------|-----------------------|-----------------------|--------------------------|-------------------------|------------------------|
| <u>Accumulated depreciation and impairment</u> |             |                       |                       |                          |                         |                        |
| Balance, January 1, 2021                       | \$ -        | \$ (5,223,468)        | \$ (3,750,897)        | \$ (534,880)             | \$ (2,590,961)          | \$ (12,100,206)        |
| Disposal                                       | -           | 20,716                | 37,516                | 6,141                    | 3,945                   | 68,318                 |
| Depreciation expenses                          | -           | (143,169)             | (186,325)             | (19,859)                 | (59,102)                | (408,455)              |
| Net exchange difference                        | -           | 1,130                 | 1,454                 | 302                      | 2,513                   | 5,399                  |
| Balance, March 31, 2021                        | <u>\$ -</u> | <u>\$ (5,344,791)</u> | <u>\$ (3,898,252)</u> | <u>\$ (548,296)</u>      | <u>\$ (2,643,605)</u>   | <u>\$ (12,434,944)</u> |
| Balance, January 1, 2020                       | \$ -        | \$ (4,681,898)        | \$ (3,883,749)        | \$ (539,549)             | \$ (2,498,041)          | \$ (11,603,237)        |
| Disposal                                       | -           | -                     | 46,749                | 24,812                   | 11,274                  | 82,835                 |
| Depreciation expenses                          | -           | (141,733)             | (165,207)             | (16,079)                 | (69,305)                | (392,324)              |
| Net exchange difference                        | -           | 1,073                 | 1,648                 | 140                      | 2,759                   | 5,620                  |
| Balance, March 31, 2020                        | <u>\$ -</u> | <u>\$ (4,822,558)</u> | <u>\$ (4,000,559)</u> | <u>\$ (530,676)</u>      | <u>\$ (2,553,313)</u>   | <u>\$ (11,907,106)</u> |

Depreciation is calculated by the straight-line method over service lives estimated as follows:

|                                  |                |
|----------------------------------|----------------|
| Buildings                        |                |
| Main buildings                   | 20 to 50 years |
| Equipment installed in buildings | 10 to 15 years |
| Computers                        | 3 to 8 years   |
| Transportation equipment         | 4 to 10 years  |
| Miscellaneous equipment          | 1 to 20 years  |

## 17. LEASE ARRANGEMENTS

### a. Right-of-use assets, net

|   | March 31, 2021      | December 31, 2020                 | March 31, 2020      |
|---|---------------------|-----------------------------------|---------------------|
| <u>Carrying amounts</u>                     |                     |                                   |                     |
| Buildings                                   | \$ 3,116,489        | \$ 3,160,720                      | \$ 3,172,944        |
| Office equipment                            | 689                 | 1,429                             | 3,525               |
| Transportation equipment                    | <u>5,365</u>        | <u>6,061</u>                      | <u>5,738</u>        |
|   | <u>\$ 3,122,543</u> | <u>\$ 3,168,210</u>               | <u>\$ 3,182,207</u> |
|   |                     | <b>For the Three Months Ended</b> |                     |
|   |                     | <b>March 31</b>                   |                     |
|   |                     | <b>2021</b>                       | <b>2020</b>         |
| Additions to right-of-use assets            |                     | <u>\$ 235,668</u>                 | <u>\$ 294,270</u>   |
| Depreciation charge for right-of-use assets |                     |                                   |                     |
| Buildings                                   |                     | \$ 271,031                        | \$ 285,260          |
| Office equipment                            |                     | 730                               | 721                 |
| Transportation equipment                    |                     | <u>1,288</u>                      | <u>1,213</u>        |
|   |                     | <u>\$ 273,049</u>                 | <u>\$ 287,194</u>   |

Except for the additions and depreciation recognized above, the Company had no significant sublease and impairment on right-of-use assets during the three months ended March 31, 2021 and 2020.

b. Lease liabilities

|                  | <b>March 31, 2021</b> | <b>December 31,<br/>2020</b> | <b>March 31, 2020</b> |
|------------------|-----------------------|------------------------------|-----------------------|
| Carrying amounts | <u>\$ 3,224,486</u>   | <u>\$ 3,275,399</u>          | <u>\$ 3,228,660</u>   |

Range of discount rate for lease liabilities was as follows:

|                          | <b>March 31, 2021</b> | <b>December 31,<br/>2020</b> | <b>March 31, 2020</b> |
|--------------------------|-----------------------|------------------------------|-----------------------|
| Buildings                | 0.37%-7.50%           | 0.80%-7.50%                  | 0.80%-7.50%           |
| Office equipment         | 0.80%-2.98%           | 0.80%-2.98%                  | 0.80%-2.98%           |
| Transportation equipment | 0.66%-7.50%           | 0.66%-7.50%                  | 0.66%-2.98%           |

c. Material lease-in activities and terms

The Company has entered into certain lease contracts with other companies or individuals for the business halls and office space that are required to be rented for operating activities. Rentals are calculated based on the actual number of rented flats and are payable monthly, quarterly or semi-annually. As of March 31, 2021, December 31, 2020 and March 31, 2020, refundable deposits on these leases totaled \$767,384 thousand, \$700,789 thousand and \$694,375 thousand, respectively.

d. Other lease information

Lease arrangements under operating leases for the leasing out of investment properties are set out in Note 15.

|   | <b>For the Three Months Ended<br/>March 31</b> |                     |
|---|--|---------------------|
|   | <b>2021</b>                                    | <b>2020</b>         |
| Expenses relating to short-term leases  | <u>\$ 5,079</u>                                | <u>\$ 4,376</u>     |
| Expenses relating to low-value asset leases   | <u>\$ 54</u>                                   | <u>\$ 23</u>        |
| Expenses relating to variable lease payments not included in the measurement of lease liabilities | <u>\$ 63</u>                                   | <u>\$ -</u>         |
| Total cash outflow for leases   | <u>\$ (289,796)</u>                            | <u>\$ (251,553)</u> |

The Company leases certain land, buildings, transportation equipment and other equipment which qualify as short-term leases and low-value asset leases. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

## 18. INTANGIBLE ASSETS, NET

|                       | March 31, 2021      | December 31,<br>2020 | March 31, 2020      |
|-----------------------|---------------------|----------------------|---------------------|
| Goodwill              | \$ 4,443,264        | \$ 4,442,843         | \$ 4,477,974        |
| Computer software     | 1,201,057           | 1,200,916            | 1,081,326           |
| Banking licenses      | 455,126             | 454,791              | 482,723             |
| Core deposits         | 18,479              | 19,157               | 21,191              |
| Developed technology  | 31,468              | 32,836               | 36,941              |
| Customer relationship | <u>16,641</u>       | <u>17,318</u>        | <u>19,349</u>       |
|                       | <u>\$ 6,166,035</u> | <u>\$ 6,167,861</u>  | <u>\$ 6,119,504</u> |

|                          | Goodwill            | Computer<br>Software | Banking<br>Licenses | Core Deposits    | Developed<br>Technology | Customer<br>Relationship | Total               |
|--------------------------|---------------------|----------------------|---------------------|------------------|-------------------------|--------------------------|---------------------|
| Balance, January 1, 2021 | \$ 4,442,843        | \$ 1,200,916         | \$ 454,791          | \$ 19,157        | \$ 32,836               | \$ 17,318                | \$ 6,167,861        |
| Separate acquisition     | -                   | 63,648               | -                   | -                | -                       | -                        | 63,648              |
| Amortization expenses    | -                   | (163,607)            | -                   | (678)            | (1,368)                 | (677)                    | (166,330)           |
| Reclassification         | -                   | 100,741              | -                   | -                | -                       | -                        | 100,741             |
| Net exchange difference  | <u>421</u>          | <u>(641)</u>         | <u>335</u>          | <u>-</u>         | <u>-</u>                | <u>-</u>                 | <u>115</u>          |
| Balance, March 31, 2021  | <u>\$ 4,443,264</u> | <u>\$ 1,201,057</u>  | <u>\$ 455,126</u>   | <u>\$ 18,479</u> | <u>\$ 31,468</u>        | <u>\$ 16,641</u>         | <u>\$ 6,166,035</u> |
| Balance, January 1, 2020 | \$ 4,475,005        | \$ 1,153,103         | \$ 480,362          | \$ 21,869        | \$ 38,309               | \$ 20,026                | \$ 6,188,674        |
| Separate acquisition     | -                   | 22,694               | -                   | -                | -                       | -                        | 22,694              |
| Amortization expenses    | -                   | (160,639)            | -                   | (678)            | (1,368)                 | (677)                    | (163,362)           |
| Reclassification         | -                   | 67,227               | -                   | -                | -                       | -                        | 67,227              |
| Net exchange difference  | <u>2,969</u>        | <u>(1,059)</u>       | <u>2,361</u>        | <u>-</u>         | <u>-</u>                | <u>-</u>                 | <u>4,271</u>        |
| Balance, March 31, 2020  | <u>\$ 4,477,974</u> | <u>\$ 1,081,326</u>  | <u>\$ 482,723</u>   | <u>\$ 21,191</u> | <u>\$ 36,941</u>        | <u>\$ 19,349</u>         | <u>\$ 6,119,504</u> |

The above intangible assets with limited useful lives are amortized on a straight-line basis by the useful lives as follows:

|                       |                |
|-----------------------|----------------|
| Computer software     | 2 to 10 years  |
| Core deposits         | 16 years       |
| Developed technology  | 11 years       |
| Customer relationship | 11 to 17 years |

In testing assets for impairment, the Company uses as recoverable amounts (a) value in use for an operating segment defined as a CGU and (b) net fair value for an investment property. Goodwill on E.SUN Bank's acquisition of UCB (subsidiary of E.SUN Bank), BankPro (subsidiary of E.SUN Bank), the Kaohsiung Business Bank Co., Ltd., Chu Nan Credit-Cooperative Association and Chiayi The Fourth Credit Cooperative was allocated to operating segments (CGUs with allocated goodwill). The Company estimates the next five years' cash flows of a CGU by taking into consideration the actual performance of each CGU, business cycle, etc. under the going-concern assumption. The discounted present value of cash flows is used to determine the value in use of each CGU. The discount rates for future cash flows of CGUs were determined using the capital asset pricing model (CAPM). The testing for asset impairment showed that no impairment losses had been incurred.



## 19. OTHER ASSETS, NET

|   | March 31, 2021      | December 31,<br>2020 | March 31, 2020      |
|---|---------------------|----------------------|---------------------|
| Refundable deposits, net                | \$ 7,136,411        | \$ 5,656,006         | \$ 4,743,292        |
| Operating deposits and settlement funds | 569,978             | 544,064              | 559,081             |
| Prepaid expenses                        | 463,000             | 279,025              | 866,944             |
| Defined benefit assets                  | 129,799             | 41,130               | 59,186              |
| Collection of securities underwriting   | -                   | 988,443              | 3                   |
| Others                                  | <u>339,023</u>      | <u>338,546</u>       | <u>248,770</u>      |
|   | <u>\$ 8,638,211</u> | <u>\$ 7,847,214</u>  | <u>\$ 6,477,276</u> |

## 20. DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS

|                                       | March 31, 2021       | December 31,<br>2020 | March 31, 2020       |
|---------------------------------------|----------------------|----------------------|----------------------|
| Call loans from banks                 | \$ 68,453,725        | \$ 48,209,147        | \$ 76,970,544        |
| Deposits from Chunghwa Post Co., Ltd. | 2,276,177            | 2,376,177            | 2,476,177            |
| Call loans from the Central Bank      | 1,426,550            | 1,425,500            | 1,513,050            |
| Banks overdrafts                      | 686,782              | 279,960              | 231,978              |
| Deposits from banks                   | 3,963,633            | 2,654,434            | 1,557,165            |
| Deposits from the Central Bank        | <u>26,781</u>        | <u>23,768</u>        | <u>23,644</u>        |
|                                       | <u>\$ 76,833,648</u> | <u>\$ 54,968,986</u> | <u>\$ 82,772,558</u> |

## 21. DUE TO THE CENTRAL BANK AND OTHER BANKS

|                         | March 31, 2021       | December 31,<br>2020 | March 31, 2020 |
|-------------------------|----------------------|----------------------|----------------|
| Due to the central bank | <u>\$ 10,040,830</u> | <u>\$ 8,044,340</u>  | <u>\$ -</u>    |

## 22. SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

Securities sold for \$13,178,554 thousand, \$11,305,248 thousand and \$9,217,870 thousand under repurchase agreements as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively, would subsequently be purchased for \$13,202,232 thousand, \$11,327,432 thousand and \$9,229,816 thousand, respectively.

## 23. COMMERCIAL PAPER ISSUED, NET

The face values of commercial paper issued were \$4,924,000 thousand, \$3,258,000 thousand and \$2,478,000 thousand, and the annual discount rates were from 0.20%-0.25%, 0.31%-0.37% and 0.42%-0.60%, as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively. These financial instruments were accepted and guaranteed by financial institutions.

## 24. PAYABLES

|                                      | <b>March 31, 2021</b> | <b>December 31,<br/>2020</b> | <b>March 31, 2020</b> |
|--------------------------------------|-----------------------|------------------------------|-----------------------|
| Checks for clearing                  | \$ 1,816,630          | \$ 2,619,519                 | \$ 1,965,458          |
| Accrued interest                     | 2,024,042             | 2,320,602                    | 3,740,725             |
| Accrued expenses                     | 2,866,154             | 5,427,211                    | 2,904,306             |
| Accounts payable                     | 5,440,547             | 3,846,631                    | 5,210,705             |
| Factored accounts payable            | 3,365,501             | 3,015,413                    | 3,535,736             |
| Settlements payable                  | 6,528,472             | 6,905,218                    | 2,152,468             |
| Acceptances                          | 1,753,338             | 1,699,850                    | 1,411,061             |
| Payable on credit cards              | 896,095               | 1,211,765                    | 1,532,313             |
| Payables for short-sale transactions | 561,214               | 1,151,262                    | 532,801               |
| Deposits on short-sale transactions  | 521,668               | 1,088,786                    | 491,608               |
| Tax payable                          | 221,843               | 342,395                      | 273,967               |
| Collections payable                  | 459,585               | 487,202                      | 310,925               |
| Others                               | <u>3,808,548</u>      | <u>3,757,002</u>             | <u>3,643,529</u>      |
|                                      | <u>\$ 30,263,637</u>  | <u>\$ 33,872,856</u>         | <u>\$ 27,705,602</u>  |

## 25. DEPOSITS AND REMITTANCES

|                                     | <b>March 31, 2021</b>   | <b>December 31,<br/>2020</b> | <b>March 31, 2020</b>   |
|-------------------------------------|-------------------------|------------------------------|-------------------------|
| Deposits                            |                         |                              |                         |
| Checking                            | \$ 12,810,901           | \$ 16,701,024                | \$ 14,860,310           |
| Demand                              | 712,145,808             | 733,435,600                  | 545,529,311             |
| Savings - demand                    | 662,612,355             | 652,174,941                  | 550,953,336             |
| Time                                | 732,249,080             | 724,826,259                  | 692,532,648             |
| Negotiable certificates of deposits | 8,298,013               | 48,717,952                   | 9,182,470               |
| Savings - time                      | 295,248,967             | 296,620,946                  | 300,036,218             |
| Treasury deposits                   | 11,003,812              | 12,128,338                   | 10,358,593              |
| Remittances                         | <u>1,875,118</u>        | <u>6,862,193</u>             | <u>895,249</u>          |
|                                     | <u>\$ 2,436,244,054</u> | <u>\$ 2,491,467,253</u>      | <u>\$ 2,124,348,135</u> |

## 26. BOND PAYABLES

|   | <b>March 31, 2021</b> | <b>December 31,<br/>2020</b> | <b>March 31, 2020</b> |
|---|-----------------------|------------------------------|-----------------------|
| Bank debentures   | \$ 32,670,000         | \$ 33,970,000                | \$ 39,070,000         |
| ESFHC's unsecured corporate bonds - first issue<br>in 2016  | 900,000               | 900,000                      | 900,000               |
| ESFHC's unsecured corporate bonds - second<br>issue in 2016 | 1,100,000             | 1,100,000                    | 1,100,000             |
| ESFHC's unsecured corporate bonds - first issue<br>in 2019  | <u>4,000,000</u>      | <u>4,000,000</u>             | <u>4,000,000</u>      |
|   | <u>\$ 38,670,000</u>  | <u>\$ 39,970,000</u>         | <u>\$ 45,070,000</u>  |

On September 22, 2016, ESFHC made a first issue of unsecured corporate bonds with aggregate face value of \$900,000 thousand and par value of \$10,000 thousand. The bonds will mature in five years, and principal is repayable on maturity. Interest is payable annually at annual interest rate for 0.75%.

On January 20, 2017, ESFHC made a second issue of unsecured corporate bonds with aggregate face value of \$1,100,000 thousand and par value of \$10,000 thousand. The bonds will mature in five years, and principal is repayable on maturity. Interest is payable annually at annual interest rate for 1.10%.

On January 14, 2019, ESFHC made a first issue of unsecured corporate bonds with aggregate face value of \$4,000,000 thousand and par value of \$10,000 thousand. The bonds will mature in five years, and principal is repayable on maturity. Interest is payable annually at annual interest rate for 0.95%.

To enhance ESFHC's working capital and repay its debt, ESFHC's board of directors approved the issuance of unsecured corporate bonds amounting to NT\$3,000,000 thousand on November 13, 2020. The issuance is still awaiting for the approval of this issuance to the FSC.

Details of bank debentures issued by E.SUN Bank were as follows:

|   | <b>March 31, 2021</b> | <b>December 31,<br/>2020</b> | <b>March 31, 2020</b>  |
|---|-----------------------|------------------------------|------------------------|
| Subordinated bonds issued on June 28, 2012;<br>1.68% interest payable annually; principal<br>repayable on maturity (10 years after the issue<br>date).  | \$ 2,720,000          | \$ 2,720,000                 | \$ 2,720,000           |
| Two types of subordinated bonds issued on<br>August 27, 2012; interest rate at (a) 1.50% for<br>type A bond and (b) 1.62% for type B bond;<br>interest payable annually for both bond types;<br>principal repayable on maturity (7 years for<br>type A bond and 10 years for type B bond after<br>the issue date).    | 3,500,000             | 3,500,000                    | 3,500,000              |
| Two types of subordinated bonds issued on May<br>24, 2013; interest rate at (a) 1.55% for type A<br>bond and (b) 1.70% for type B bond; interest<br>payable annually for both bond types; principal<br>repayable on maturity (7 years for type A bond<br>and 10 years for type B bond after the issue<br>date).       | 1,500,000             | 1,500,000                    | 2,300,000              |
| Subordinated bonds issued on August 28, 2013;<br>1.75% interest payable annually; principal<br>repayable on maturity (7 years after the issue<br>date).   | -                     | -                            | 2,700,000              |
| Two types of subordinated bonds issued on<br>December 19, 2013; interest rate at (a) 1.75%<br>for type A bond and (b) 1.85% for type B<br>bond; interest payable annually for both bond<br>types; principal repayable on maturity (5.5<br>years for type A bond and 7 years for type B<br>bond after the issue date). | -                     | -                            | 500,000<br>(Continued) |

|   | March 31, 2021       | December 31,<br>2020 | March 31, 2020                      |
|---|----------------------|----------------------|-------------------------------------|
| Two types of subordinated bonds issued on March 7, 2014; interest rate at (a) 1.80% for type A bond and (b) 1.95% for type B bond; interest payable annually for both bond types; principal repayable on maturity (7 years for type A bond and 10 years for type B bond after the issue date).      | \$ 2,200,000         | \$ 3,500,000         | \$ 3,500,000                        |
| Two types of subordinated bonds issued on April 30, 2015; interest rate at (a) 1.80% for type A bond and (b) 2.10% for type B bond; interest payable annually for both bond types; principal repayable on maturity (7 years for type A bond and 10 years for type B bond after the issue date).     | 5,000,000            | 5,000,000            | 5,000,000                           |
| Two types of subordinated bonds issued on September 29, 2015; interest rate at (a) 1.65% for type A bond and (b) 2.00% for type B bond; interest payable annually for both bond types; principal repayable on maturity (7 years for type A bond and 10 years for type B bond after the issue date). | 3,750,000            | 3,750,000            | 3,750,000                           |
| Two types of subordinated bonds issued on March 30, 2018; interest rate at (a) 1.30% for type A bond and (b) 1.55% for type B bond; interest payable annually for both bond types; principal repayable on maturity (7 years for type A bond and 10 years for type B bond after the issue date).     | 4,000,000            | 4,000,000            | 4,000,000                           |
| Bonds issued on April 24, 2018; interest rate at 0.66%; interest payable annually; principal repayable on maturity (2 years after the issue date).  | -                    | -                    | 1,100,000                           |
| Bonds issued on August 13, 2019; interest rate at 0.65%; interest payable annually; principal repayable on maturity (3 years after the issue date).   | 3,000,000            | 3,000,000            | 3,000,000                           |
| Noncumulative perpetual subordinated bonds issued on January 8, 2020; interest rate at 1.45%; interest payable annually; E.SUN Bank may redeem the bond after 5 years and one month from the issue date   | 4,000,000            | 4,000,000            | 4,000,000                           |
| Bonds issued on March 19, 2020; interest rate at 0.58%; interest payable annually; principal repayable on maturity (5 years after the issue date).  | <u>3,000,000</u>     | <u>3,000,000</u>     | <u>3,000,000</u>                    |
|   | <u>\$ 32,670,000</u> | <u>\$ 33,970,000</u> | <u>\$ 39,070,000</u><br>(Concluded) |

E.SUN Bank designated the bank debentures as at fair value through profit or loss, which are summarized below:

|  | <b>March 31, 2021</b> | <b>December 31,<br/>2020</b> | <b>March 31, 2020</b> |
|--|-----------------------|------------------------------|-----------------------|
| Unsecured USD-denominated subordinated bonds issued on May 27, 2015                              | \$ 3,350,153          | \$ 3,344,667                 | \$ 3,514,778          |
| Unsecured noncumulative perpetual USD-denominated subordinated bonds issued on May 27, 2015      | 2,194,297             | 2,425,960                    | 2,816,223             |
| Unsecured USD-denominated subordinated bonds issued on October 28, 2015                          | 2,474,402             | 2,486,664                    | 2,609,225             |
| Unsecured noncumulative perpetual USD-denominated subordinated bonds issued on October 28, 2015  | 1,174,095             | 1,343,691                    | 1,599,237             |
| Unsecured USD-denominated subordinated bonds issued on January 22, 2016                          | 9,343,403             | 9,460,385                    | 9,914,555             |
| Unsecured noncumulative perpetual USD-denominated subordinated bonds issued on January 22, 2016  | 7,364,080             | 7,940,241                    | 8,661,844             |
| Unsecured USD-denominated subordinated bonds issued on June 6, 2016                              | 3,312,578             | 3,425,553                    | 3,581,682             |
| Unsecured noncumulative perpetual USD-denominated subordinated bonds issued on June 6, 2016      | 2,927,599             | 3,171,793                    | 3,475,629             |
| Unsecured noncumulative perpetual USD-denominated subordinated bonds issued on December 29, 2016 | 2,777,922             | 3,020,275                    | 3,296,496             |
| Unsecured USD-denominated bonds issued on May 19, 2017   | 2,032,602             | 2,079,022                    | 2,183,692             |
| Unsecured USD-denominated bonds issued on November 21, 2017                                      | 4,439,292             | 4,662,317                    | 4,877,918             |
| Unsecured noncumulative perpetual USD-denominated subordinated bonds issued on February 12, 2018 | <u>6,404,887</u>      | <u>6,942,889</u>             | <u>7,327,886</u>      |
|  | <u>\$ 47,795,310</u>  | <u>\$ 50,303,457</u>         | <u>\$ 53,859,165</u>  |

On May 27, 2015, E.SUN Bank issued unsecured subordinated bank debentures amounting to US\$85,000 thousand with a 30-year maturity and 0% interest rate. In accordance with the terms of the bank debentures and with the approval of the authorities, E.SUN Bank may either redeem the bonds at an agreed-upon price after seven years from the issue date and every five years afterward, or make bond repayments on the maturity date.

On May 27, 2015, E.SUN Bank issued unsecured noncumulative perpetual subordinated bank debentures amounting to US\$85,000 thousand with no maturity date and with a 4.97% interest payable annually on July 1 under certain interest payment conditions. In accordance with the terms of the bank debentures and with the approval of the authorities, E.SUN Bank may redeem all the bonds after 15 years from the issue date.

On October 28, 2015, E.SUN Bank issued unsecured subordinated bank debentures amounting to US\$63,000 thousand with a 30-year maturity and 0% interest rate. In accordance with the terms of the bank debentures and with the approval of the authorities, E.SUN Bank may either redeem the bonds at an agreed-upon price after seven years from the issue date and every five years afterward, or make bond repayments on the maturity date.

On October 28, 2015, E.SUN Bank issued unsecured noncumulative perpetual subordinated bank debentures amounting to US\$43,000 thousand with no maturity date and with a 5.10% interest payable annually on July 1 under certain interest payment conditions. In accordance with the terms of the bank debentures and with the approval of the authorities, E.SUN Bank may redeem all the bonds after 15 years from the issue date.

On January 22, 2016, E.SUN Bank issued unsecured subordinated bank debentures amounting to US\$240,000 thousand with a 30-year maturity and 0% interest rate. In accordance with the terms of the bank debentures and with the approval of the authorities, E.SUN Bank may either redeem the bonds at an agreed-upon price after seven years from the issue date and every five years afterward, or make bond repayments on the maturity date.

On January 22, 2016, E.SUN Bank issued unsecured noncumulative perpetual subordinated bank debentures amounting to US\$240,000 thousand with no maturity date and with a 5.10% interest payable annually on July 1 under certain interest payment conditions. In accordance with the terms of the bank debentures and with the approval of the authorities, E.SUN Bank may redeem all the bonds after 15 years from the issue date.

On June 6, 2016, E.SUN Bank issued unsecured subordinated bank debentures amounting to US\$95,000 thousand with a 30-year maturity and 0% interest rate. In accordance with the terms of the bank debentures and with the approval of the authorities, E.SUN Bank may either redeem the bonds at an agreed-upon price after seven years from the issue date and every five years afterward, or make bond repayments on the maturity date.

On June 6, 2016, E.SUN Bank issued unsecured noncumulative perpetual subordinated bank debentures amounting to US\$95,000 thousand with no maturity date and with a 4.41% interest payable annually on July 1 under certain interest payment conditions. In accordance with the terms of the bank debentures and with the approval of the authorities, E.SUN Bank may redeem all the bonds after 15 years from the issue date.

On December 29, 2016, E.SUN Bank issued unsecured noncumulative perpetual subordinated bank debentures amounting to US\$90,000 thousand with no maturity date and with a 4.85% interest payable annually on July 1 under certain interest payment conditions. In accordance with the terms of the bank debentures and with the approval of the authorities, E.SUN Bank may redeem all the bonds after 15 years from the issue date.

On May 19, 2017, E.SUN Bank issued unsecured bank debentures amounting to US\$60,000 thousand with a 30-year maturity and 0% interest rate. In accordance with the terms of the bank debentures, E.SUN Bank may either redeem the bonds at an agreed-upon price after five years from the issue date and each year afterward, or make bond repayments on the maturity date.

On November 21, 2017, E.SUN Bank issued unsecured bank debentures amounting to US\$135,000 thousand with a 30-year maturity and 0% interest rate. In accordance with the terms of the bank debentures, E.SUN Bank may either redeem the bonds at an agreed-upon price after five years from the issue date and each year afterward, or make bond repayments on the maturity date.

On February 12, 2018, E.SUN Bank issued unsecured noncumulative perpetual subordinated bank debentures amounting to US\$200,000 thousand with no maturity date and with a 4.75% interest payable annually on July 1 under certain interest payment conditions. In accordance with the terms of the bank debentures and with the approval of the authorities, E.SUN Bank may redeem all the bonds after 15 years from the issue date.

To hedge against its exposure to interest rate risk due to the issuance of the above bank debentures, E.SUN Bank entered into interest rate swap (IRS) contracts, which are measured at fair value. The changes in fair value of the IRS contracts are recognized in profit or loss. To eliminate an accounting mismatch, E.SUN Bank also designated the bank debentures as at fair value through profit or loss.

To support business sustainable development and the government's green finance policy, E.SUN Bank's board of director approved on August 14, 2020, the issuance of unsecured bank debentures amounting to NT\$10 billion (or foreign currency equivalent) with no more than 40 years to maturity. E.SUN Bank is going to apply for the approval of the issuance to the FSC.

As of the date of the consolidated financial statements were authorized for issue, there is no available bank debentures remained unissued.

## 27. OTHER BORROWINGS

|                       | March 31, 2021      |           | December 31, 2020   |           | March 31, 2020    |           |
|-----------------------|---------------------|-----------|---------------------|-----------|-------------------|-----------|
|                       | Amount              | %         | Amount              | %         | Amount            | %         |
| Short-term borrowings | \$ 687,659          | 1.16-4.50 | \$ 868,371          | 1.54-4.50 | \$ 30,000         | 1.09      |
| Long-term borrowings  | <u>345,225</u>      | 1.77-3.00 | <u>344,971</u>      | 2.47-4.89 | <u>514,437</u>    | 2.47-4.89 |
|                       | <u>\$ 1,032,884</u> |           | <u>\$ 1,213,342</u> |           | <u>\$ 544,437</u> |           |

## 28. PROVISIONS

|  | March 31, 2021    | December 31, 2020   | March 31, 2020    |
|--|-------------------|---------------------|-------------------|
| Provision for losses on financing commitment | \$ 508,058        | \$ 507,068          | \$ 397,695        |
| Provision for employee benefits              | 3,242             | 288,610             | 10,493            |
| Provision for losses on guarantees           | 308,401           | 317,319             | 264,263           |
| Others                                       | <u>49,278</u>     | <u>46,387</u>       | <u>47,405</u>     |
|  | <u>\$ 868,979</u> | <u>\$ 1,159,384</u> | <u>\$ 719,856</u> |

The changes in provision for losses on guarantees and financing commitments are summarized below:

### For the three months ended March 31, 2021

|  | 12-month ECL | Lifetime ECL | Lifetime ECL (Credit-impaired Financial Assets) | Impairment Loss under IFRS 9 | Difference of Impairment Loss under Regulations | Total      |
|--|--------------|--------------|---|------------------------------|---|------------|
| Balance at January 1, 2021   | \$ 421,939   | \$ 1,685     | \$ 3,228  | \$ 426,852                   | \$ 397,535                                      | \$ 824,387 |
| Changes of financial instruments recognized at the beginning of the reporting period |              |              |   |                              |   |            |
| Transfers to   |              |              |   |                              |   |            |
| Lifetime ECL   | (55)         | 55           | -   | -                            | -   | -          |
| Credit-impaired financial instruments  | (10)         | (15)         | 25  | -                            | -   | -          |
| 12-month ECL   | 1,659        | (1,604)      | (55)  | -                            | -   | -          |
| Derecognition of financial instruments in the reporting period                       | (14,011)     | -            | (812)   | (14,823)                     | -   | (14,823)   |

(Continued)

|   | 12-month<br>ECL  | Lifetime ECL  | Lifetime ECL<br>(Credit-<br>impaired<br>Financial<br>Assets) | Impairment<br>Loss under<br>IFRS 9 | Difference of<br>Impairment<br>Loss under<br>Regulations | Total             |
|---|------------------|---------------|--|------------------------------------|--|-------------------|
| New financial instruments purchased or originated | \$ 8,489         | \$ 3          | \$ 32  | \$ 8,524                           | \$ -   | \$ 8,524          |
| Difference of impairment loss under regulations   | -                | -             | -  | -                                  | 338,102  | 338,102           |
| Change in model or risk parameters                | (342,376)        | 768           | 1,908  | (339,700)                          | -  | (339,700)         |
| Change in exchange rates or others                | (4)              | -             | -  | (4)                                | (27)   | (31)              |
| Balance at March 31, 2021                         | <u>\$ 75,631</u> | <u>\$ 892</u> | <u>\$ 4,326</u>  | <u>\$ 80,849</u>                   | <u>\$ 735,610</u>  | <u>\$ 816,459</u> |

(Concluded)

### For the three months ended March 31, 2020

|  | 12-month<br>ECL   | Lifetime ECL    | Lifetime ECL<br>(Credit-<br>impaired<br>Financial<br>Assets) | Impairment<br>Loss under<br>IFRS 9 | Difference of<br>Impairment<br>Loss under<br>Regulations | Total             |
|--|-------------------|-----------------|--|------------------------------------|--|-------------------|
| Balance at January 1, 2020   | \$ 177,119        | \$ 700          | \$ 3,204   | \$ 181,023                         | \$ 416,900   | \$ 597,923        |
| Changes of financial instruments recognized at the beginning of the reporting period |                   |                 |  |                                    |  |                   |
| Transfers to   |                   |                 |  |                                    |  |                   |
| Lifetime ECL   | (55)              | 140             | (85)   | -                                  | -  | -                 |
| Credit-impaired financial instruments  | (8)               | (121)           | 129  | -                                  | -  | -                 |
| 12-month ECL   | 4,239             | (3,472)         | (767)  | -                                  | -  | -                 |
| Derecognition of financial instruments in the reporting period                       | (12,469)          | -               | -  | (12,469)                           | -  | (12,469)          |
| New financial instruments purchased or originated                                    | 36,811            | 92              | 16   | 36,919                             | -  | 36,919            |
| Difference of impairment loss under regulations                                      | -                 | -               | -  | -                                  | (60,768)   | (60,768)          |
| Change in model or risk parameters   | 85,391            | 12,265          | 2,229  | 99,885                             | -  | 99,885            |
| Change in exchange rates or others   | (13)              | -               | -  | (13)                               | 481  | 468               |
| Balance at March 31, 2020  | <u>\$ 291,015</u> | <u>\$ 9,604</u> | <u>\$ 4,726</u>  | <u>\$ 305,345</u>                  | <u>\$ 356,613</u>  | <u>\$ 661,958</u> |

## 29. POST-EMPLOYMENT BENEFIT PLAN

### a. Defined contribution plan

The pension mechanism under the Labor Pension Act (the Act) is deemed a defined contribution plan. Under the Act, the Company makes monthly contribution equal to 6% of each employee's monthly salary to employees' pension accounts in the Bureau of Labor Insurance.

The Company recognized expenses of \$103,655 thousand and \$97,792 thousand in the consolidated statements of comprehensive income for the three months ended March 31, 2021 and 2020, respectively, in accordance with the defined contribution plan.

### b. Defined benefit plan

The Company has a defined benefit pension plan for all regular employees. Under this plan, the pension is calculated on the basis of an employee's seniority accumulated since the hire date in accordance with the Labor Standards Act.



ESFHC makes monthly contributions, equal to 5.54% of salaries and wages, to a pension fund. The fund is deposited in the Bank of Taiwan under management of Bureau of Labor Funds, Ministry of Labor (the Bureau).

E.SUN Bank makes monthly contributions, equal to 2% of salaries and wages, to a pension fund. The fund is deposited in the Bank of Taiwan in the name of the Supervisory Committee of Workers' Retirement Preparation Fund, which manages the fund. The difference between the contributions and the pension costs based on actuarial calculations for E.SUN Bank is deposited in a financial institution in the name of the employees' pension fund administration committee.

E.SUN Securities makes monthly contributions, equal to 4% of salaries and wages, to a pension fund. The fund is deposited in the Bank of Taiwan under management of the Bureau. However, E.SUN Securities paused in making monthly contributions from January 2017 to December 2021 with the approval of Department of Labor, Taipei City Government.

Starting from July 1, 2005, the Company has made monthly contributions to the pension fund by the foregoing pension calculation for the employees that choose to continue being subject to the Labor Standards Act.

The pension fund is managed by the Bureau and the Company has no right to influence the investment policy and strategy. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay post-employment benefits for employees who conform to post-employment requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year.

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic (and foreign) equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

For the three months ended March 31, 2021 and 2020, the pension expenses under defined benefit plan recognized in the consolidated statements of comprehensive income amounted to \$5,529 thousand and \$5,411 thousand, respectively.

### 30. OTHER FINANCIAL LIABILITIES

|                                      | <b>March 31, 2021</b> | <b>December 31,<br/>2020</b> | <b>March 31, 2020</b> |
|--------------------------------------|-----------------------|------------------------------|-----------------------|
| Principal of structured products     | \$ 51,031,004         | \$ 58,136,417                | \$ 44,831,154         |
| Guarantee deposits received          | 4,353,408             | 5,200,653                    | 3,279,998             |
| Customers' equity accounts - futures | <u>1,585,932</u>      | <u>1,246,697</u>             | <u>1,088,860</u>      |
|                                      | <u>\$ 56,970,344</u>  | <u>\$ 64,583,767</u>         | <u>\$ 49,200,012</u>  |

### 31. OTHER LIABILITIES

|                                       | March 31, 2021      | December 31,<br>2020 | March 31, 2020      |
|---------------------------------------|---------------------|----------------------|---------------------|
| Advance receipts                      | \$ 2,563,648        | \$ 2,795,440         | \$ 3,020,721        |
| Deferred revenue                      | 591,875             | 542,513              | 602,667             |
| Collection of securities underwriting | -                   | 988,382              | 2                   |
| Others                                | <u>30,144</u>       | <u>5,026</u>         | <u>47,333</u>       |
|                                       | <u>\$ 3,185,667</u> | <u>\$ 4,331,361</u>  | <u>\$ 3,670,723</u> |

### 32. NET INTEREST

|   | For the Three Months Ended<br>March 31 |                     |
|---|--|---------------------|
|   | 2021                                   | 2020                |
| Interest revenue                                  |  |                     |
| From discounts and loans                          | \$ 6,925,740                           | \$ 8,119,997        |
| From investments                                  | 967,256                                | 1,093,975           |
| From revolving interests of credit cards          | 499,912                                | 532,223             |
| From due from banks and call loans to other banks | 122,298                                | 301,004             |
| Others  | <u>31,600</u>                          | <u>76,611</u>       |
|   | <u>8,546,806</u>                       | <u>10,123,810</u>   |
| Interest expense                                  |  |                     |
| From deposits                                     | (2,061,991)                            | (4,389,937)         |
| From due to the Central Bank and other banks      | (91,497)                               | (315,811)           |
| From issuing bonds payable                        | (141,681)                              | (158,579)           |
| From lease liabilities                            | (9,843)                                | (10,198)            |
| Others  | <u>(159,378)</u>                       | <u>(195,704)</u>    |
|   | <u>(2,464,390)</u>                     | <u>(5,070,229)</u>  |
|   | <u>\$ 6,082,416</u>                    | <u>\$ 5,053,581</u> |

### 33. SERVICE FEE AND COMMISSION INCOME, NET

|                                   | For the Three Months Ended<br>March 31 |                  |
|-----------------------------------|--|------------------|
|                                   | 2021                                   | 2020             |
| Service fee and commission income |  |                  |
| From credit cards                 | \$ 2,151,804                           | \$ 2,257,776     |
| From insurance                    | 465,246                                | 860,216          |
| From trust business               | 1,932,076                              | 1,462,059        |
| From loans                        | 387,819                                | 402,869          |
| From brokerage                    | 710,032                                | 386,055          |
| Others                            | <u>669,790</u>                         | <u>660,809</u>   |
|                                   | <u>6,316,767</u>                       | <u>6,029,784</u> |

(Continued)

|  | <b>For the Three Months Ended<br/>March 31</b> |                     |
|--|--|---------------------|
|  | <b>2021</b>                                    | <b>2020</b>         |
| Service charge and commission expenses |  |                     |
| From agency                            | \$ (406,829)                                   | \$ (352,480)        |
| From credit cards                      | (249,146)                                      | (250,547)           |
| From cross - bank transactions         | (84,636)                                       | (87,003)            |
| From computer processing               | (78,479)                                       | (108,274)           |
| Others                                 | <u>(224,707)</u>                               | <u>(205,883)</u>    |
|  | <u>(1,043,797)</u>                             | <u>(1,004,187)</u>  |
|  | <u>\$ 5,272,970</u>                            | <u>\$ 5,025,597</u> |

(Concluded)

### 34. GAINS (LOSSES) ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

|  | <b>For the Three Months Ended March 31, 2021</b> |   |                                    |                                     |                     |
|--|--|---|------------------------------------|-------------------------------------|---------------------|
|  | <b>Dividend<br/>Income</b>                       | <b>Interest<br/>Revenue<br/>(Expense)</b> | <b>Gain (Loss) on<br/>Disposal</b> | <b>Gain (Loss) on<br/>Valuation</b> | <b>Total</b>        |
| Financial assets mandatorily classified as<br>at fair value through profit or loss | \$ 4,353   | \$ 1,212,507                              | \$ 3,400,605                       | \$ (7,924,570)                      | \$ (3,307,105)      |
| Held-for-trading financial liabilities   | -  | -   | (1,817,892)                        | 4,628,411                           | 2,810,519           |
| Financial liabilities designated as at fair<br>value through profit or loss        | <u>-</u>   | <u>(520,559)</u>                          | <u>158</u>                         | <u>2,990,453</u>                    | <u>2,470,052</u>    |
|  | <u>\$ 4,353</u>                                  | <u>\$ 691,948</u>                         | <u>\$ 1,582,871</u>                | <u>\$ (305,706)</u>                 | <u>\$ 1,973,466</u> |
|  | <b>For the Three Months Ended March 31, 2020</b> |   |                                    |                                     |                     |
|  | <b>Dividend<br/>Income</b>                       | <b>Interest<br/>Revenue<br/>(Expense)</b> | <b>Gain (Loss) on<br/>Disposal</b> | <b>Gain (Loss) on<br/>Valuation</b> | <b>Total</b>        |
| Financial assets mandatorily classified as<br>at fair value through profit or loss | \$ 1,664   | \$ 2,336,791                              | \$ 4,957,041                       | \$ 7,288,822                        | \$ 14,584,318       |
| Held-for-trading financial liabilities   | -  | -   | (2,963,955)                        | (4,179,241)                         | (7,143,196)         |
| Financial liabilities designated as at fair<br>value through profit or loss        | <u>-</u>   | <u>(546,775)</u>                          | <u>(112)</u>                       | <u>(3,888,491)</u>                  | <u>(4,435,378)</u>  |
|  | <u>\$ 1,664</u>                                  | <u>\$ 1,790,016</u>                       | <u>\$ 1,992,974</u>                | <u>\$ (778,910)</u>                 | <u>\$ 3,005,744</u> |

### 35. EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION EXPENSES

|  | <b>For the Three Months Ended<br/>March 31</b> |              |
|--|--|--------------|
|  | <b>2021</b>                                    | <b>2020</b>  |
| Employee benefits                          |  |              |
| Salaries                                   | \$ 3,021,293                                   | \$ 2,981,898 |
| Insurance                                  | 209,872  | 224,472      |
| Excessive interest from preferential rates | 49,850   | 50,404       |
| Post-employment benefits                   | 109,184  | 103,203      |
| Others                                     | 196,790  | 197,141      |
| Depreciation expenses                      | 693,937  | 691,773      |
| Amortization expenses                      | 166,575  | 163,978      |

Under the Articles of Incorporation of ESFHC, ESFHC accrued employees' compensation and remuneration of directors at the rates from 2.0% to 5.0% and no higher than 0.9%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors (after offsetting accumulated deficit). For the three months ended March 31, 2021 and 2020, the employees' compensation were \$159,026 thousand and \$125,971 thousand, respectively; and the remuneration of directors were \$34,000 thousand and \$35,000 thousand, respectively.

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

The employees' compensation and remuneration of directors for the years ended December 31, 2020 and 2019 that have been approved by ESFHC's board of directors on March 11, 2021 and March 12, 2020, respectively, were as follows:

|                                  | <b>2020</b> | <b>2019</b> |
|----------------------------------|-------------|-------------|
| Employees' compensation - cash   | \$ 2,522    | \$ 204      |
| Employees' compensation - stock  | 507,000     | 600,480     |
| Remuneration of directors - cash | 73,000      | 113,300     |

ESFHC announced the distribution of 19,500 thousand shares and 21,600 thousand shares as employees' compensation for 2020 and 2019, respectively, which were determined by the closing price (NT\$26.00 and NT\$27.80) of the day before the board of directors approved the distribution.

The differences between the approved amounts of employees' compensation and remuneration of directors and the amounts recognized in the consolidated financial statements for the years ended December 31, 2020 and 2019, respectively, were resulted from a change in the accounting estimate. The differences recognized in profit or loss for 2021 and 2020, respectively, were as follows:

|   | <u>2020</u>         |                     | <u>2019</u>         |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | <b>Employees'</b>   | <b>Remuneration</b> | <b>Employees'</b>   | <b>Remuneration</b> |
|   | <b>Compensation</b> | <b>of Directors</b> | <b>Compensation</b> | <b>of Directors</b> |
| Amounts approved by ESFHC's board of directors              | <u>\$ 509,522</u>   | <u>\$ 73,000</u>    | <u>\$ 600,684</u>   | <u>\$ 113,300</u>   |
| Amounts recognized in the consolidated financial statements | <u>\$ 519,477</u>   | <u>\$ 132,000</u>   | <u>\$ 601,383</u>   | <u>\$ 113,300</u>   |

Information on the approved amounts of employees' compensation and remuneration of directors is available at the website of the TWSE (<http://emops.twse.com.tw>).

### 36. INCOME TAX

Under Article 49 of the Financial Holding Company Act, a financial holding company (FHC) can elect to file consolidated income tax returns for the regular corporate income tax as well as the income tax on undistributed earnings for FHC and its domestic subsidiaries if the FHC holds more than 90% of the domestic subsidiaries' outstanding shares in the entire tax year; for other taxation issues, ESFHC and domestic subsidiaries should conduct separately.

ESFHC and subsidiaries started to file consolidated tax returns since 2003.

a. Income tax recognized in profit or loss

Main components of income tax expense were as follows:

|   | <b>For the Three Months Ended<br/>March 31</b> |                     |
|---|--|---------------------|
|   | <b>2021</b>                                    | <b>2020</b>         |
| Current tax                                     |  |                     |
| Current period                                  | \$ 1,150,719                                   | \$ 1,192,778        |
| Deferred tax                                    |  |                     |
| Current period                                  | <u>(119,042)</u>                               | <u>(142,863)</u>    |
| Income tax expense recognized in profit or loss | <u>\$ 1,031,677</u>                            | <u>\$ 1,049,915</u> |

b. Income tax recognized in other comprehensive income

|  | <b>For the Three Months Ended<br/>March 31</b> |                    |
|--|--|--------------------|
|  | <b>2021</b>                                    | <b>2020</b>        |
| <u>Deferred tax</u>  |  |                    |
| In respect of the current period   |  |                    |
| Income tax relating to items that will not be reclassified<br>subsequently to profit or loss                     |  |                    |
| Fair value changes of financial assets in equity instruments<br>at fair value through other comprehensive income | \$ 4,655                                       | \$ (11,855)        |
| Remeasurement of defined benefit plans   | 100  | -                  |
| Income tax relating to items that may be reclassified<br>subsequently to profit or loss                          |  |                    |
| Exchange differences on the translation of financial<br>statements of foreign operations                         | 15,434   | 4,146              |
| Fair value changes of financial assets in debt instruments at<br>fair value through other comprehensive income   | <u>(175,254)</u>                               | <u>(67,158)</u>    |
| Income tax benefit recognized in other comprehensive income  | <u>\$ (155,065)</u>                            | <u>\$ (74,867)</u> |

c. The years which income tax returns have been assessed by the tax authorities were as follows:

| <u>ESFHC</u> | <u>E.SUN Bank</u> | <u>E.SUN Securities</u> | <u>ESIB</u>  | <u>ESVC</u> |
|--------------|-------------------|-------------------------|--|-------------|
| 2015         | 2015              | 2015                    | 2015; 2016 (a<br>current final<br>report on total<br>business<br>income) | 2015        |

d. In 2017 and prior years, the parent company ESFHC issued shares to the employees of the subsidiaries (including E.SUN Bank, ESIB, E.SUN Securities and ESVC) and the subsidiaries accounted for the shares as salary expenses on share-based payments. However, the subsidiaries excluded the salary expenses on share-based payments in their respective income tax returns to comply with the guidelines of the Ministry of Finance of the ROC (MOF) issued on April 20, 2011 and recognized the additional taxes derived from such transactions. On December 28, 2018, the MOF issued guidelines stating that if a company compensates the services of the employees of its subsidiary by issuing new shares or giving its own shares or other equity instruments, and the subsidiary measures and recognizes expenses for the services of the employees during the vesting period, the subsidiary can then recognize the expenses as

salary expenses in the income tax returns. The above subsidiaries believe the MOF guidelines on December 28, 2018 are applicable to the shares issued by ESFHC to the employees of the subsidiaries, and the shares should be accounted for as salary expenses in their respective income tax returns. Accordingly, the above subsidiaries has filed an administrative remedy or applied for tax authority's review and reassessment of the tax returns from 2010 to 2017 in view of the December 28, 2018 guidelines. Based on the current examination of tax authorities, the Company assessed that the tax authorities will approve the deduction of the relevant salary expenses in these years, and recognized the estimated income tax impact. In addition, the deduction of the relevant salary expenses of 2010 to 2015 (except for 2013) has been approved by the tax authorities. While the final result of the remaining years is subject to the examination of the taxation administration. The above subsidiaries will continue to follow through the development of the issues and evaluate the impact on their taxation.

### 37. EARNINGS PER SHARE

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

|  | Amount<br>(Numerator)      | Shares<br>(Denominator<br>in Thousands) | Earnings<br>Per Share<br>(Dollars) |
|--|----------------------------|---|------------------------------------|
| <u>For the three months ended March 31, 2021</u> |                            |   |                                    |
| Basic earnings per share                         | \$ 5,204,582               | 12,571,650                              | <u>\$ 0.41</u>                     |
| Effect of dilutive common shares:                |                            |   |                                    |
| Employees' compensation                          | <u>                  -</u> | <u>          21,043</u>                 |                                    |
| Diluted earnings per share                       | <u>\$ 5,204,582</u>        | <u>12,592,693</u>                       | <u>\$ 0.41</u>                     |
| <u>For the three months ended March 31, 2020</u> |                            |   |                                    |
| Basic earnings per share                         | \$ 4,540,583               | 12,550,247                              | <u>\$ 0.36</u>                     |
| Effect of dilutive common shares:                |                            |   |                                    |
| Employees' compensation                          | <u>                  -</u> | <u>          22,048</u>                 |                                    |
| Diluted earnings per share                       | <u>\$ 4,540,583</u>        | <u>12,572,295</u>                       | <u>\$ 0.36</u>                     |

The number of shares outstanding was retrospectively adjusted to reflect the effects of the stock dividends distributed in the year following earnings appropriation. The earnings per share after income tax for the three months ended March 31, 2020 were retrospectively adjusted as follows:

|                            | Unit: NT\$ Per Share                  |                                      |
|----------------------------|---------------------------------------|--------------------------------------|
|                            | Before<br>Retrospective<br>Adjustment | After<br>Retrospective<br>Adjustment |
| Basic earnings per share   | <u>\$ 0.39</u>                        | <u>\$ 0.36</u>                       |
| Diluted earnings per share | <u>\$ 0.39</u>                        | <u>\$ 0.36</u>                       |

ESFHC can elect to distribute compensation to employees by stock or by cash. If the compensation is in the form of cash or shares, ESFHC should presume that the entire amount of the compensation will be settled in shares, and the resulting potential shares should be included in the weighted average number of shares outstanding to be used in calculating diluted earnings per share (EPS) if the shares have a dilutive effect. The number of shares is estimated by dividing the entire amount of the compensation by the closing price of the shares on the balance sheet date. The dilutive effects of the potential shares need to be included in the calculation of diluted EPS until the number of shares to be distributed to employees resolved in the following year.

### 38. EQUITY

#### a. Capital stock

##### Common stock

|  | <b>March 31, 2021</b> | <b>December 31,<br/>2020</b> | <b>March 31, 2020</b> |
|--|-----------------------|------------------------------|-----------------------|
| Authorized number of shares (in thousands) | <u>15,000,000</u>     | <u>15,000,000</u>            | <u>15,000,000</u>     |
| Authorized capital                         | <u>\$ 150,000,000</u> | <u>\$ 150,000,000</u>        | <u>\$ 150,000,000</u> |
| Number of shares issued (in thousands)     | <u>12,567,100</u>     | <u>12,567,100</u>            | <u>11,619,500</u>     |
| Common stock issued                        | <u>\$ 125,671,000</u> | <u>\$ 125,671,000</u>        | <u>\$ 116,195,000</u> |

Common stock issued has a NT\$10 par value. Each share has one voting right and the right to receive dividends.

In 2020, the stockholders of ESFHC resolved to use \$9,260,000 thousand from the 2019 unappropriated earnings as stock bonus to stockholders and \$600,480 thousand from the compensation to employees by stock. The appropriations and compensation, which were a total of 947,600 thousand shares, were approved by the FSC. The issuance was approved by the Ministry of Economic Affairs (MOEA).

To dispose of ESFHC's shares held by E.SUN Bank and to increase its capital by issuing common stocks for the issuance of Global Depository Shares (GDS), ESFHC issued 14,800 thousand units of GDS (one unit represents 25 common shares), which equaled 370,000 thousand common shares, on the Luxembourg Stock Exchange.

The GDS holders are entitled to present their GDSs for cancellation and receive the corresponding number of underlying common shares, and the common shares can be traded in the domestic stock exchange market. As of March 31, 2021, ESFHC issued 503 thousand units (equal to 12,562 thousand shares) because of capital increase, the deposit agents reissued 5,453 thousand units (equal to 136,331 thousand shares), and the GDS holders had canceled 20,684 thousand units (equal to 517,098 thousand shares). Therefore, the outstanding GDSs were 72 thousand units, which were equal to 1,795 thousand shares, or 0.0143% of ESFHC's total outstanding common shares.

#### b. Capital surplus

Under related regulations, capital surplus must be used to offset deficit except capital surplus arising from the issuance of shares (issuance in excess of par value, capital surplus from issuance of common stock for combination and treasury stock transactions) and donation may be used to distribute cash dividends or transfer to common stock. However, any capital surplus transferred to common stock should be within a certain percentage of paid-in capital prescribed by law.

For FHC, if the capital surplus due from stocks convert of financial intuition is from unappropriated retained earnings before convert, according to the regulatory, the FHC could implement distributing cash dividends or the capital increase in entre year, furthermore, the proportion of capital increase is not restricted by Securities and Exchange Act Article 41 point 2 and Securities and Exchange Act Enforcement Rules Article 8. The distribution of unappropriated retained earnings without restriction above, is the amount after recognizing legal reserve or special reserve.

The subsidiaries' unappropriated retained earnings before stock conversion amounted to \$2,919,727 thousand, which was already stated as ESFHC's capital surplus as of its establishment date. In 2002, the stockholders resolved to increase ESFHC's capital by \$1,800,000 thousand through the issuance of stock dividends from capital surplus.

As of March 31, 2021, the capital surplus came from treasury stock transactions and the issuance of shares in excess of par value. Capital surplus sources and uses were as follows:

#### Sources

From subsidiaries

|   |                  |
|---|------------------|
| Capital surplus (mainly additional paid-in capital from share issuance in excess of par value)                            | \$ 413,733       |
| Legal reserve   | 2,776,834        |
| Special reserve   | 109,230          |
| Unappropriated earnings   | <u>2,919,727</u> |
|   | 6,219,524        |
| Total capital stock of subsidiaries in excess of ESFHC's issuance   | <u>600,000</u>   |
| Balance on January 28, 2002   | 6,819,524        |
| From E.SUN Securities Investment Trust Corp. (ESSIT) which became a 100% subsidiary of ESFHC in 2003 through a share swap |                  |
| Legal reserve   | 4,350            |
| Unappropriated earnings   | <u>7,861</u>     |
|   | 6,831,735        |
| Corporate bonds converted into capital stock  | 7,407,345        |
| Treasury stock transactions recognized from subsidiaries  | 3,015,943        |
| Transferring of shares to employees by subsidiaries   | 483              |
| Cash dividends from ESFHC received by subsidiaries  | 208,161          |
| Transferring of shares to employees by ESFHC  | 157,897          |
| The difference between par value and issue price for the issuance of common stock from bonus to employees                 | 401,166          |
| The difference between par value and issue price for the issuance of common stock from compensation to employees          | 1,453,798        |
| Additional paid-in capital from ESFHC's share issuance in excess of par value   | 10,562,422       |
| Share-based payment for the subscription for ESFHC's new shares by the employees of ESFHC and its subsidiaries            | <u>672,153</u>   |
|   | 30,711,103       |

#### Uses

|   |                      |
|---|----------------------|
| Remuneration of directors and supervisors and bonus to employees by subsidiaries                              | (156,458)            |
| Issuance of ESFHC's stock dividends in 2002   | (1,800,000)          |
| Offset of deficit in 2003   | (3,091,451)          |
| Difference between par value and issue price for the issuance of common stock from bonus to employees in 2009 | <u>(980)</u>         |
|   | <u>\$ 25,662,214</u> |



c. Special reserve

Under FSC guidelines, ESFHC reclassified the trading loss reserve and default loss reserve made before 2010 to special reserve. This special reserve must be used to offset a deficit except if ESFHC has no deficit and the special reserve exceeds 50% of its paid-in capital, half of the excess may be used to issue new shares. Furthermore, when the special reserve exceeds ESFHC's paid-in capital, ESFHC may, under the FSC's approval, reclassify the excess back to unappropriated earnings. The special reserve from equity investments under the equity method was \$164,235 thousand.

d. Appropriation of earnings

Under the ESFHC's Articles of Incorporation, where the ESFHC made profit in a fiscal year, the profit shall be first utilized for paying all taxes, offsetting deficit of previous years, setting aside a legal reserve and special reserve in accordance with related regulations, setting aside a special reserve if needed, and then any remaining profit together with reversal of special reserve and prior years' unappropriated earnings, the board of directors shall draw up the appropriation of earnings motion for the approval of stockholders.

Under ESFHC's dividend policy, the issuance of stock dividends takes precedence over the payment of cash dividends to strengthen ESFHC's financial structure. This policy is also intended to improve ESFHC's capital adequacy ratio and keep it at a level higher than the ratio set under relevant regulations. However, when dividends are declared, cash dividends must be at least 10% of total dividends declared, unless the resulting cash dividend per share falls below NT\$0.10.

Under the Company Act, legal reserve should be appropriated until the reserve equals ESFHC's paid-in capital. This reserve should only be used to offset deficit. When the reserve exceeds 25% of ESFHC's paid-in capital, the excess may be used to issue new shares or distribute cash dividends.

Under related regulations, a special reserve is appropriated from the balance of the retained earnings at an amount from the net income and unappropriated earnings that is equal to the debit balance of accounts in the stockholders' equity section (such as exchange differences on the translation of financial statements of foreign operations and unrealized gains or losses on financial assets at fair value through other comprehensive income). The special reserve should be appropriated from the prior years' unappropriated earnings to the extent of the debit balance accumulated from prior years and such special reserve should not be appropriated. Afterward, if there is any reversal of the decrease in other stockholders' equity, ESFHC is allowed to appropriating retained earnings from the reversal amount.

The appropriations of earnings for 2020 and 2019 that were approved in the board of directors and the stockholders' meetings on March 11, 2021 and June 12, 2020, respectively, were as follows:

|                 | <b>Appropriation of Earnings</b> |              | <b>Dividends Per Share (NT\$)</b> |             |
|-----------------|----------------------------------|--------------|-----------------------------------|-------------|
|                 | <b>2020</b>                      | <b>2019</b>  | <b>2020</b>                       | <b>2019</b> |
| Legal reserve   | \$ 1,705,818                     | \$ 2,010,513 |                                   |             |
| Cash dividends  | 7,665,931                        | 9,191,766    | \$0.610                           | \$0.791     |
| Stock dividends | 7,680,000                        | 9,260,000    | 0.610                             | 0.797       |

If the appropriations of earnings for 2020 mentioned above affects the number of shares outstanding of ESFHC due to any reason, resulting in changes in the shareholders' allotment (dividend) rate, the chairman will be authorized to make amendments.

The appropriation of earnings for 2020 are subject to the resolution of the stockholders' meeting. Information on earnings appropriation or deficit offsetting is available at the website of the TWSE (<http://emops.twse.com.tw>).

e. Non-controlling interests

|  | <b>For the Three Months Ended<br/>March 31</b> |                   |
|--|--|-------------------|
|  | <b>2021</b>                                    | <b>2020</b>       |
| Balance, January 1   | \$ 132,185                                     | \$ 123,179        |
| Attributable to non-controlling interests:   |  |                   |
| Net income   | 2,179  | 2,106             |
| Exchange differences on the translation of financial statements<br>of foreign operations | <u>4</u>                                       | <u>17</u>         |
| Balance, March 31  | <u>\$ 134,368</u>                              | <u>\$ 125,302</u> |

### 39. RELATED-PARTY TRANSACTIONS

ESFHC is the ultimate controller of the E.SUN Group. All transactions, balances, income and expenses between the parent company (ESFHC) and the subsidiaries (related parties of the Company) are eliminated on a consolidated basis. In addition to those mentioned in Table 2 and in other notes, the significant related-party transactions are summarized as follows:

a. Related parties

| <u>Related Party</u>  | <u>Relationship with the Company</u>                    |
|---|---|
| E.SUN Foundation and E.SUN Volunteer<br>& Social Welfare Foundation | One third of the funds are donated by E.SUN Bank        |
| Others  | Key management of the Company and other related parties |

b. Significant transactions between the Company and related parties

1) Loans and deposits

a) Loans

|  | <b>Highest<br/>Balance (Note)</b> | <b>Ending<br/>Balance</b> | <b>Interest<br/>Revenue</b> | <b>Ending<br/>Interest<br/>Rate (%)</b> |
|--|-----------------------------------|---------------------------|-----------------------------|---|
| <u>For the three months ended<br/>March 31, 2021</u> |                                   |                           |                             |   |
| Key management                                       | \$ 479,160                        | \$ 382,884                | \$ 1,068                    |   |
| Others   | <u>3,632,822</u>                  | <u>2,792,188</u>          | <u>8,054</u>                |   |
|  | <u>\$ 4,111,982</u>               | <u>\$ 3,175,072</u>       | <u>\$ 9,122</u>             | 0.80-1.85                               |
| <u>For the three months ended<br/>March 31, 2020</u> |                                   |                           |                             |   |
| Key management                                       | \$ 249,463                        | \$ 238,577                | \$ 959                      |   |
| Others   | <u>2,557,175</u>                  | <u>2,459,105</u>          | <u>10,143</u>               |   |
|  | <u>\$ 2,806,638</u>               | <u>\$ 2,697,682</u>       | <u>\$ 11,102</u>            | 1.07-1.85                               |

b) Deposits

|   | <b>Highest<br/>Balance (Note)</b> | <b>Ending<br/>Balance</b> | <b>Interest<br/>Expense</b> | <b>Ending<br/>Interest<br/>Rate (%)</b> |
|---|-----------------------------------|---------------------------|-----------------------------|---|
| For the three months ended<br><u>March 31, 2021</u> |                                   |                           |                             |   |
| Key management                                      | \$ 661,677                        | \$ 440,367                | \$ 397                      |   |
| Others  | <u>1,952,327</u>                  | <u>1,527,553</u>          | <u>4,224</u>                |   |
|   | <u>\$ 2,614,004</u>               | <u>\$ 1,967,920</u>       | <u>\$ 4,621</u>             | 0-6.34                                  |
| For the three months ended<br><u>March 31, 2020</u> |                                   |                           |                             |   |
| Key management                                      | \$ 754,983                        | \$ 502,338                | \$ 1,497                    |   |
| Others  | <u>2,062,538</u>                  | <u>1,597,225</u>          | <u>6,305</u>                |   |
|   | <u>\$ 2,817,521</u>               | <u>\$ 2,099,563</u>       | <u>\$ 7,802</u>             | 0-6.34                                  |

Note: The sum of the respective highest balances of each account for the three months ended March 31, 2021 and 2020.

- 2) There were no directors as credit guarantors as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively.

|   | <b>March 31, 2021</b> | <b>December 31,<br/>2020</b>                   | <b>March 31, 2020</b> |
|---|-----------------------|--|-----------------------|
| 3) Interest receivable (part of receivables)              |                       |  |                       |
| Key management  | \$ 225                | \$ 224   | \$ 124                |
| Others  | <u>1,501</u>          | <u>1,358</u>                                   | <u>1,433</u>          |
|   | <u>\$ 1,726</u>       | <u>\$ 1,582</u>                                | <u>\$ 1,557</u>       |
| 4) Interest payable (part of payables)                    |                       |  |                       |
| Key management  | \$ 209                | \$ 160   | \$ 770                |
| Others  | <u>1,213</u>          | <u>1,199</u>                                   | <u>1,899</u>          |
|   | <u>\$ 1,422</u>       | <u>\$ 1,359</u>                                | <u>\$ 2,669</u>       |
|   |                       | <b>For the Three Months Ended<br/>March 31</b> |                       |
|   |                       | <b>2021</b>                                    | <b>2020</b>           |
| 5) Donation (part of general and administrative expenses) |                       |  |                       |
| Others - E.SUN Volunteer & Social Welfare Foundation      |                       | <u>\$ 10,913</u>                               | <u>\$ 9,525</u>       |

The above donation is for E.SUN Volunteer & Social Welfare Foundation's social welfare charity.

- 6) E.SUN Volunteer & Social Welfare Foundation entrusted some properties to E.SUN Bank. E.SUN Bank charged \$188 thousand and \$174 thousand (part of service fee and commission income, net) accordingly for the three months ended March 31, 2021 and 2020, respectively.

The interest rates shown above are similar to, or approximate, those offered to third parties. However, the interest rates for savings deposits given to managers of E.SUN Bank are the same as the interest rates of employees' savings deposits within a certain amount.

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

- c. Subsidiaries' related-party transactions and balances that each amounted to more than \$100,000 thousand

- 1) E.SUN Bank

- a) Loans

|   | <b>Highest<br/>Balance (Note)</b> | <b>Ending<br/>Balance</b> | <b>Interest<br/>Revenue</b> | <b>Ending<br/>Interest<br/>Rate (%)</b> |
|---|-----------------------------------|---------------------------|-----------------------------|---|
| For the three months ended<br><u>March 31, 2021</u> |                                   |                           |                             |   |
| Subsidiaries  | \$ 2,684,115                      | \$ 2,539,259              | \$ 7,116                    |   |
| Key management                                      | 464,300                           | 372,884                   | 1,041                       |   |
| Others  | <u>3,560,993</u>                  | <u>2,745,041</u>          | <u>7,922</u>                |   |
|   | <u>\$ 6,709,408</u>               | <u>\$ 5,657,184</u>       | <u>\$ 16,079</u>            | 0.80-1.85                               |
| For the three months ended<br><u>March 31, 2020</u> |                                   |                           |                             |   |
| Subsidiaries  | \$ 2,390,619                      | \$ 2,390,619              | \$ 7,369                    |   |
| Key management                                      | 244,473                           | 233,651                   | 939                         |   |
| Others  | <u>2,508,233</u>                  | <u>2,410,522</u>          | <u>9,976</u>                |   |
|   | <u>\$ 5,143,325</u>               | <u>\$ 5,034,792</u>       | <u>\$ 18,284</u>            | 1.07-3.28                               |

b) Deposits

|  | <b>Highest<br/>Balance (Note)</b> | <b>Ending<br/>Balance</b> | <b>Interest<br/>Expense</b> | <b>Ending<br/>Interest<br/>Rate (%)</b> |
|--|-----------------------------------|---------------------------|-----------------------------|---|
| <u>For the three months ended<br/>March 31, 2021</u> |                                   |                           |                             |   |
| ESFHC  | \$ 789,220                        | \$ 650,300                | \$ 16                       |   |
| Subsidiaries   | 73,406                            | 26,776                    | -                           |   |
| Sister companies                                     | 6,006,122                         | 2,109,303                 | 1,626                       |   |
| Key management                                       | 653,934                           | 433,511                   | 395                         |   |
| Others   | <u>1,941,562</u>                  | <u>1,520,063</u>          | <u>4,221</u>                |   |
|  | <u>\$ 9,464,244</u>               | <u>\$ 4,739,953</u>       | <u>\$ 6,258</u>             | 0-6.34                                  |
| <u>For the three months ended<br/>March 31, 2020</u> |                                   |                           |                             |   |
| ESFHC  | \$ 511,287                        | \$ 360,997                | \$ 9                        |   |
| Subsidiaries   | 68,501                            | 27,532                    | 39                          |   |
| Sister companies                                     | 2,858,639                         | 2,507,668                 | 2,726                       |   |
| Key management                                       | 752,526                           | 501,164                   | 1,494                       |   |
| Others   | <u>2,049,966</u>                  | <u>1,590,736</u>          | <u>6,294</u>                |   |
|  | <u>\$ 6,240,919</u>               | <u>\$ 4,988,097</u>       | <u>\$ 10,562</u>            | 0-6.34                                  |

Note: The sum of the respective highest balances of each account for the three months ended March 31, 2021 and 2020.

|  | <b>March 31, 2021</b> | <b>December 31,<br/>2020</b> | <b>March 31, 2020</b> |
|--|-----------------------|------------------------------|-----------------------|
| c) Call loans to banks (part of due from the Central Bank and call loans to other banks) |                       |                              |                       |
| ESBC   | <u>\$ 7,960,180</u>   | <u>\$ 7,403,580</u>          | <u>\$ 7,696,118</u>   |
| d) Consolidated tax return receivables (part of current tax assets)                      |                       |                              |                       |
| ESFHC  | <u>\$ 154,487</u>     | <u>\$ 154,487</u>            | <u>\$ 305,758</u>     |
| e) Due to banks (part of due to the Central Bank and other banks)                        |                       |                              |                       |
| Subsidiaries   | <u>\$ -</u>           | <u>\$ 798,280</u>            | <u>\$ -</u>           |
| f) Deposits from banks (part of due to the Central Bank and other banks)                 |                       |                              |                       |
| Subsidiaries   | <u>\$ 65,774</u>      | <u>\$ 39,313</u>             | <u>\$ 893,657</u>     |

(Continued)

|   | <b>March 31, 2021</b> | <b>December 31,<br/>2020</b> | <b>March 31, 2020</b>              |
|---|-----------------------|------------------------------|------------------------------------|
| g) Payable (part of payables)   |                       |                              |                                    |
| Sister companies  | \$ <u>153,354</u>     | \$ <u>95,031</u>             | \$ <u>-</u>                        |
| h) Remuneration of directors (part of payables)                       |                       |                              |                                    |
| ESFHC   | \$ <u>87,000</u>      | \$ <u>95,000</u>             | \$ <u>136,000</u>                  |
| i) Consolidated tax return payables (part of current tax liabilities) |                       |                              |                                    |
| ESFHC   | \$ <u>1,008,479</u>   | \$ <u>267,809</u>            | \$ <u>2,042,717</u><br>(Concluded) |

The consolidated tax return receivable and payable refer to ESFHC's filed consolidated corporate tax returns from 2003.

The interest rates shown above are similar to, or approximate, those offered to third parties. However, the interest rates for savings deposits given to managers of E.SUN Bank are the same as the interest rates of employees' savings deposits within a certain amount.

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

## 2) E.SUN Securities

- a) Deposits each amounting to more than \$100,000 thousand in E.SUN Bank as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively, were as follows:

|  | <b>March 31, 2021</b> | <b>December 31,<br/>2020</b> | <b>March 31, 2020</b> |
|--|-----------------------|------------------------------|-----------------------|
| Deposits   | \$ <u>449,841</u>     | \$ <u>340,788</u>            | \$ <u>1,001,169</u>   |
| Financial asset at amortized cost - current      | \$ <u>716,149</u>     | \$ <u>184,785</u>            | \$ <u>348,401</u>     |
| Deposits - futures exchange margins              | \$ <u>287,657</u>     | \$ <u>341,993</u>            | \$ <u>202,781</u>     |
| Restricted assets - current                      | \$ <u>214,000</u>     | \$ <u>214,000</u>            | \$ <u>214,000</u>     |
| Operating deposits                               | \$ <u>445,000</u>     | \$ <u>435,000</u>            | \$ <u>450,000</u>     |
| Deposits - settlements                           | \$ <u>264,668</u>     | \$ <u>297,721</u>            | \$ <u>181,892</u>     |
| Deposits - collection of securities underwriting | \$ <u>-</u>           | \$ <u>988,443</u>            | \$ <u>-</u>           |

- b) E.SUN Securities entrusted to E.SUN Bank the deal settlement of securities and applied for a guarantee for overdraft amounting to \$4,000,000 thousand as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively. For this overdraft, E.SUN Securities provided time deposits and real estate to E.SUN Bank as collaterals. Other financial institutions provided guarantee for the overdraft. As of March 31, 2021, December 31, 2020 and March 31, 2020, there was no overdraft amount.

- c) For its business needs, E.SUN Securities applied for a short-term loan up to \$200,000 thousand from E.SUN Bank.
- d) Consolidated tax return payables (part of current tax liabilities)

|       | <b>March 31, 2021</b> | <b>December 31,<br/>2020</b> | <b>March 31, 2020</b> |
|-------|-----------------------|------------------------------|-----------------------|
| ESFHC | <u>\$ 226,013</u>     | <u>\$ 144,499</u>            | <u>\$ 83,312</u>      |

3) ESVC

Deposits each amounting to more than \$100,000 thousand in E.SUN Bank as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively, were as follows:

|                       | <b>March 31, 2021</b> | <b>December 31,<br/>2020</b> | <b>March 31, 2020</b> |
|-----------------------|-----------------------|------------------------------|-----------------------|
| Deposits - E.SUN Bank | <u>\$ 208,833</u>     | <u>\$ 285,332</u>            | <u>\$ 45,810</u>      |

d. Compensation of key management

The compensation of the directors and other key management for the three months ended March 31, 2021 and 2020 are summarized as follows:

|   | <b>For the Three Months Ended<br/>March 31</b> |                   |
|---|--|-------------------|
|   | <b>2021</b>                                    | <b>2020</b>       |
| Salaries and other short-term employment benefits                                 | \$ 94,407                                      | \$ 201,592        |
| Post-employment benefits  | 747  | 727               |
| Interest arising from the employees' preferential rates in excess of normal rates | <u>106</u>                                     | <u>123</u>        |
|   | <u>\$ 95,260</u>                               | <u>\$ 202,442</u> |

#### 40. PLEDGED ASSETS

- a. In addition to those mentioned in other notes, the pledged securities were as follows:

|   | <b>March 31, 2021</b> | <b>December 31,<br/>2020</b> | <b>March 31, 2020</b> |
|---|-----------------------|------------------------------|-----------------------|
| Financial assets at fair value through profit or loss (face value)                            | \$ 25,200,000         | \$ 24,200,000                | \$ 24,200,000         |
| Investments in debt instruments at amortized cost (face value)                                | 3,798,590             | 3,041,785                    | 2,935,036             |
| Investments in debt instruments at fair value through other comprehensive income (face value) | <u>3,670,200</u>      | <u>3,389,804</u>             | <u>1,066,454</u>      |
|   | <u>\$ 32,668,790</u>  | <u>\$ 30,631,589</u>         | <u>\$ 28,201,490</u>  |

As of March 31, 2021, December 31, 2020 and March 31, 2020, the foregoing bonds and securities, with aggregate face value of \$20,200,000 thousand, \$19,200,000 thousand and \$19,200,000 thousand, respectively, had been provided as collaterals for day-term overdraft to comply with the clearing system requirement of the Central Bank (CB) of the Republic of China for real-time gross settlement (RTGS). The unused overdraft amount at day's end can also be treated as E.SUN Bank's liquidity reserve. For covering its call loans from the CB, E.SUN Bank had provided collaterals consisting of securities with aggregate face values of \$5,000,000 thousand as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively. It had also provided other securities as collaterals for operating reserve and for meeting the requirements for judiciary provisional seizure.

- b. To expand its capital sourcing and enhance its liquidity position, E.SUN Bank's Los Angeles Branch obtained access privileges at the Discount Window of the Federal Reserve Bank of San Francisco. The information on the securities and loans pledged by the Branch for this access was as follows:

| <b>(In Thousands of U.S. Dollars)</b> |                       |                         |
|---------------------------------------|-----------------------|-------------------------|
| <b>Date</b>                           | <b>Pledged Amount</b> | <b>Collateral Value</b> |
| March 31, 2021                        | <u>\$ 121,000</u>     | <u>\$ 112,511</u>       |
| December 31, 2020                     | <u>\$ 111,000</u>     | <u>\$ 100,863</u>       |
| March 31, 2020                        | <u>\$ 26,000</u>      | <u>\$ 19,843</u>        |

- c. In response to the public policy to help those severely affected by COVID-19 pandemic, E.SUN Bank offers loans to SMEs and has applied for project financing from the Central Bank. As of March 31, 2021 and December 31, 2020, up to \$15,000,000 thousand and \$10,000,000 thousand, respectively, in E.SUN Bank's deposit reserves - account B were provided as collaterals to the Central Bank in accordance with the relevant regulations.
- d. As of March 31, 2021 and December 31, 2020, UCB has provided US\$33,737 thousand and US\$35,090 thousand, respectively, due from the National Bank of Cambodia as collaterals for guarantees of both loan and settlement accounts in the National Bank of Cambodia in accordance with relevant regulations.

#### **41. CONTINGENCIES AND COMMITMENTS**

In addition to those mentioned in other notes, the contingencies and commitments were as follows:

- a. E.SUN Bank

As of March 31, 2021, agreements on the acquisition and decoration of buildings and various purchases related to the improvements of existing premises occupied by E.SUN Bank's branches amounted to approximately \$8,318,905 thousand, and the remaining unpaid amount was approximately \$1,269,276 thousand.

- b. Union Commercial Bank (UCB)

As of March 31, 2021, decoration of buildings and various purchases related to the improvements of existing premises occupied by UCB amounted to approximately \$645,237 thousand, and the remaining unpaid amount was approximately \$8,746 thousand.

- c. E.SUN Bank (China), Ltd (ESBC)

As of March 31, 2021, decoration of buildings and various purchases related to the improvements of existing premises occupied by ESBC amounted to approximately \$66,950 thousand, and the remaining unpaid amount was approximately \$33,003 thousand.



**42. E.SUN BANK'S AVERAGE AMOUNT AND AVERAGE INTEREST RATE OF INTEREST-EARNING ASSETS AND INTEREST-BEARING LIABILITIES**

Average balance was calculated at the daily average balances of interest-earning assets and interest-bearing liabilities.

|   | <b>For the Three Months Ended March 31</b> |                             |                            |                             |
|---|--|-----------------------------|----------------------------|-----------------------------|
|   | <b>2021</b>                                |                             | <b>2020</b>                |                             |
|   | <b>Average<br/>Balance</b>                 | <b>Average<br/>Rate (%)</b> | <b>Average<br/>Balance</b> | <b>Average<br/>Rate (%)</b> |
| <u>Interest-earning assets</u>  |  |                             |                            |                             |
| Cash and cash equivalents and other<br>financial assets - due from banks                      | \$ 39,299,488                              | 0.44                        | \$ 38,350,054              | 1.59                        |
| Call loans to banks   | 20,770,029                                 | 1.14                        | 20,495,402                 | 1.44                        |
| Due from the Central Bank   | 55,003,598                                 | 0.20                        | 42,700,043                 | 0.34                        |
| Financial assets mandatorily classified as<br>at fair value through profit or loss -<br>bonds | 134,331,609                                | 2.40                        | 150,674,847                | 4.73                        |
| Financial assets mandatorily classified as<br>at fair value through profit or loss -<br>bills | 509,763,515                                | 0.32                        | 385,885,758                | 0.58                        |
| Securities purchased under resell<br>agreements   | 3,124,701                                  | 0.22                        | 3,691,352                  | 0.53                        |
| Accounts receivable factored without<br>recourse  | 6,602,687                                  | 0.94                        | 7,926,519                  | 2.50                        |
| Discounts and loans   | 1,598,093,127                              | 1.60                        | 1,438,191,669              | 2.10                        |
| Receivables on credit cards   | 31,156,529                                 | 6.48                        | 32,450,548                 | 6.54                        |
| Debt instruments at fair value through<br>other comprehensive income                          | 268,515,455                                | 1.19                        | 194,521,037                | 1.94                        |
| Investments in debt instruments at<br>amortized cost  | 16,891,134                                 | 0.88                        | 12,210,186                 | 1.93                        |
| <u>Interest-bearing liabilities</u>   |  |                             |                            |                             |
| Deposits from the Central Bank and<br>other banks   | 72,661,121                                 | 0.36                        | 71,320,665                 | 1.63                        |
| Due to the Central Bank and other banks   | 9,611,251                                  | 0.10                        | -                          | -                           |
| Financial liabilities at fair value through<br>profit or loss                                 | 45,138,006                                 | 4.72                        | 44,288,065                 | 5.01                        |
| Securities sold under repurchase<br>agreements  | 10,399,510                                 | 0.14                        | 7,121,041                  | 0.78                        |
| Demand deposits   | 699,270,925                                | 0.05                        | 494,253,580                | 0.15                        |
| Savings - demand deposits   | 667,785,949                                | 0.08                        | 567,406,124                | 0.18                        |
| Time deposits   | 711,661,833                                | 0.62                        | 681,009,095                | 1.78                        |
| Savings - time deposits   | 300,900,293                                | 0.81                        | 310,381,195                | 1.03                        |
| Negotiable certificates of deposits   | 26,541,858                                 | 0.27                        | 10,502,489                 | 1.47                        |
| Bank debentures   | 33,623,333                                 | 1.54                        | 36,190,879                 | 1.60                        |
| Principal of structured products  | 51,139,419                                 | 0.51                        | 37,643,088                 | 0.86                        |
| Lease liabilities   | 2,686,924                                  | 0.78                        | 2,569,118                  | 0.80                        |

### 43. FINANCIAL INSTRUMENTS

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

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

|   | <u>March 31, 2021</u>  |                             | <u>December 31, 2020</u> |                             | <u>March 31, 2020</u>  |                             |
|---|------------------------|-----------------------------|--------------------------|-----------------------------|------------------------|-----------------------------|
|   | <u>Carrying Amount</u> | <u>Estimated Fair Value</u> | <u>Carrying Amount</u>   | <u>Estimated Fair Value</u> | <u>Carrying Amount</u> | <u>Estimated Fair Value</u> |
| <u>Financial assets</u>                           |                        |                             |                          |                             |                        |                             |
| Investments in debt instruments at amortized cost | \$ 22,938,724          | \$ 22,957,127               | \$ 16,465,798            | \$ 16,521,979               | \$ 13,793,554          | \$ 13,890,287               |
| <u>Financial liabilities</u>                      |                        |                             |                          |                             |                        |                             |
| Bond payables                                     | 38,670,000             | 40,876,322                  | 39,970,000               | 42,239,087                  | 45,070,000             | 47,374,953                  |

Fair value hierarchy as of March 31, 2021

|   | <b>Total</b>  | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> |
|---|---------------|----------------|----------------|----------------|
| <u>Financial assets</u>                           |               |                |                |                |
| Investments in debt instruments at amortized cost | \$ 22,957,127 | \$ 17,398,748  | \$ 5,558,379   | \$ -           |
| <u>Financial liabilities</u>                      |               |                |                |                |
| Bond payables                                     | 40,876,322    | -              | 40,876,322     | -              |

Fair value hierarchy as of December 31, 2020

|   | <b>Total</b>  | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> |
|---|---------------|----------------|----------------|----------------|
| <u>Financial assets</u>                           |               |                |                |                |
| Investments in debt instruments at amortized cost | \$ 16,521,979 | \$ 16,521,979  | \$ -           | \$ -           |
| <u>Financial liabilities</u>                      |               |                |                |                |
| Bond payables                                     | 42,239,087    | -              | 42,239,087     | -              |

Fair value hierarchy as of March 31, 2020

|   | <b>Total</b>  | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> |
|---|---------------|----------------|----------------|----------------|
| <u>Financial assets</u>                           |               |                |                |                |
| Investments in debt instruments at amortized cost | \$ 13,890,287 | \$ 13,890,287  | \$ -           | \$ -           |
| <u>Financial liabilities</u>                      |               |                |                |                |
| Bond payables                                     | 47,374,953    | -              | 47,374,953     | -              |

The fair values of the financial assets and financial liabilities included in the Level 2 categories above have been determined in accordance with income approaches based on a discounted cash flow analysis.

- b. The valuation techniques and assumptions the Company uses for determining fair values were as follows:

The fair values of financial assets and financial liabilities traded on active markets are determined with reference to quoted market prices. When market prices are not available, valuation techniques are applied. The financial data obtained by the Company for making estimations and assumptions for financial instrument valuation is consistent with those used by other market participants to price financial instruments. The fair value of the unlisted stocks held by the Company is determined by using market approach or asset approach.

The Company estimated the fair value of each forward contract on the basis of the exchange rates quoted by Reuters on each settlement date. Fair values of interest rate swap contracts and cross-currency swap contracts are calculated using the discounted cash flow method, unless the fair values of these two types of contracts are provided by counterparties. Fair values of currency option contracts are based on estimates made using the Black Scholes model, binomial method or Monte Carlo simulation. The fair values of futures contracts are calculated using the prices quoted by the futures exchange.

For valuation of debt instruments with no active market, the fair value is determined on the basis of the discounted cash flow method. The Company uses a discount rate approximating the rate of return of financial instruments with similar terms and characteristics, including the credit risk of the debtors, the residual period during which the fixed interest rate prescribed by contracts is accrued, the residual period for principal repayments, and the type of currency (New Taiwan dollars, U.S. dollars, etc.) to be used for payments. As of March 31, 2021, December 31, 2020 and March 31, 2020, the discount rates used ranged from 0.171% to 0.828%, 0.170% to 0.793% and 0.175% to 0.930%, respectively, for the New Taiwan dollars and from 0.075% to 2.146%, 0.050% to 1.408% and 0.175% to 1.370%, respectively, for the U.S. dollars.

If there are trade prices or prices quoted by major market players, the latest trade prices and quoted prices are used as the basis for evaluating the fair value of debt instruments, which are classified as investments in debt instruments at amortized cost; otherwise, the Company uses the foregoing valuation techniques to determine fair value.

The Company takes credit/debit valuation adjustments into consideration in order to reflect the credit risk resulted from counterparties and the credit quality of the Company when determining fair values of the financial instruments.

- c. The fair value hierarchies of the Company's financial instruments, which were measured at fair value on a recurring basis, as of March 31, 2021, December 31, 2020 and March 31, 2020 were as follows:

|   | <b>March 31, 2021</b> |                |                |                |
|---|-----------------------|----------------|----------------|----------------|
|   | <b>Total</b>          | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> |
| Financial assets at fair value through<br><u>profit or loss</u> |                       |                |                |                |
| Derivative instruments  | \$ 19,424,521         | \$ 203,108     | \$ 19,221,413  | \$ -           |
| Equity instruments  | 6,374,280             | 4,127,294      | -              | 2,246,986      |
| Debt instruments  | 134,163,709           | 1,088,970      | 133,074,739    | -              |
| Others  | 498,414,388           | 154,335        | 498,260,053    | -              |

(Continued)

|  | <b>March 31, 2021</b>    |                |                |                |
|--|--------------------------|----------------|----------------|----------------|
|  | <b>Total</b>             | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> |
| <u>Financial assets at fair value through other comprehensive income</u> |                          |                |                |                |
| Equity instruments   | \$ 14,742,969            | \$ 13,423,812  | \$ -           | \$ 1,319,157   |
| Debt instruments   | 295,087,716              | 138,780,670    | 156,307,046    | -              |
| <u>Financial liabilities at fair value through profit or loss</u>        |                          |                |                |                |
| Derivative instruments   | 14,550,607               | -              | 14,550,607     | -              |
| Financial liabilities designated as at fair value through profit or loss | 47,795,310               | -              | 47,795,310     | -              |
|  |                          |                |                | (Concluded)    |
|  | <b>December 31, 2020</b> |                |                |                |
|  | <b>Total</b>             | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> |
| <u>Financial assets at fair value through profit or loss</u>             |                          |                |                |                |
| Derivative instruments   | \$ 22,898,587            | \$ 198,928     | \$ 22,699,659  | \$ -           |
| Equity instruments   | 4,877,235                | 2,779,940      | -              | 2,097,295      |
| Debt instruments   | 138,662,449              | 2,966,441      | 135,696,008    | -              |
| Others   | 549,371,011              | 114,133        | 549,256,878    | -              |
| <u>Financial assets at fair value through other comprehensive income</u> |                          |                |                |                |
| Equity instruments   | 9,377,128                | 8,062,853      | -              | 1,314,275      |
| Debt instruments   | 254,525,732              | 121,387,803    | 133,137,929    | -              |
| <u>Financial liabilities at fair value through profit or loss</u>        |                          |                |                |                |
| Derivative instruments   | 20,137,985               | -              | 20,137,985     | -              |
| Financial liabilities designated as at fair value through profit or loss | 50,303,457               | -              | 50,303,457     | -              |
|  | <b>March 31, 2020</b>    |                |                |                |
|  | <b>Total</b>             | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> |
| <u>Financial assets at fair value through profit or loss</u>             |                          |                |                |                |
| Derivative instruments   | \$ 22,224,928            | \$ 229,612     | \$ 21,995,316  | \$ -           |
| Equity instruments   | 2,874,599                | 1,013,047      | -              | 1,861,552      |
| Debt instruments   | 157,515,893              | 167,504        | 157,348,389    | -              |
| Others   | 390,498,475              | 367,477        | 390,130,998    | -              |
| <u>Financial assets at fair value through other comprehensive income</u> |                          |                |                |                |
| Equity instruments   | 5,673,658                | 4,497,875      | -              | 1,175,783      |
| Debt instruments   | 210,096,964              | 99,818,236     | 110,278,728    | -              |
| <u>Financial liabilities at fair value through profit or loss</u>        |                          |                |                |                |
| Derivative instruments   | 14,813,425               | -              | 14,813,425     | -              |
| Financial liabilities designated as at fair value through profit or loss | 54,094,589               | -              | 54,094,589     | -              |

The Company remeasures the classification of fair value hierarchy at the end of each reporting period to determine whether there is a transfer between levels of the fair value hierarchy.

There were no significant transfers between Level 1 and Level 2 for the three months ended March 31, 2021 and 2020.

d. Reconciliation of the financial instruments classified in Level 3

For the three months ended March 31, 2021

|   | <b>Financial Assets<br/>at FVTPL</b> | <b>Financial Assets<br/>at FVTOCI</b> |
|---|--------------------------------------|---------------------------------------|
|   | <b>Equity<br/>Instruments</b>        | <b>Equity<br/>Instruments</b>         |
| Balance at January 1, 2021  | \$ 2,097,295                         | \$ 1,314,275                          |
| Valuation recognized in profit or loss  | 43,940                               | -                                     |
| Valuation recognized in other comprehensive income  | -                                    | 4,882                                 |
| Acquisitions  | 264,166                              | -                                     |
| Disposal  | (41,954)                             | -                                     |
| Transfers out of Level 3 (Note)   | <u>(116,461)</u>                     | <u>-</u>                              |
| Balance at March 31, 2021   | <u>\$ 2,246,986</u>                  | <u>\$ 1,319,157</u>                   |
| Change in unrealized gains or losses for the period included in profit or loss for assets held at the end of the reporting period | <u>\$ 39,336</u>                     |                                       |

For the three months ended March 31, 2020

|   | <b>Financial Assets<br/>at FVTPL</b> | <b>Financial Assets<br/>at FVTOCI</b> |
|---|--------------------------------------|---------------------------------------|
|   | <b>Equity<br/>Instruments</b>        | <b>Equity<br/>Instruments</b>         |
| Balance at January 1, 2020  | \$ 2,085,013                         | \$ 1,267,423                          |
| Valuation recognized in profit or loss  | (123,177)                            | -                                     |
| Valuation recognized in other comprehensive income  | -                                    | (91,640)                              |
| Acquisitions  | 38,492                               | -                                     |
| Disposal  | (11,029)                             | -                                     |
| Transfers out of Level 3 (Note)   | <u>(127,747)</u>                     | <u>-</u>                              |
| Balance at March 31, 2020   | <u>\$ 1,861,552</u>                  | <u>\$ 1,175,783</u>                   |
| Change in unrealized gains or losses for the period included in profit or loss for assets held at the end of the reporting period | <u>\$ (117,970)</u>                  |                                       |

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

e. Valuation process on fair value in Level 3

The Company's risk management division is responsible for conducting independent fair value verification, using independent source data to bring the valuation results close to market conditions, confirming that the data sources are independent, reliable, consistent with other data messages, and representing executable prices, and regularly calibrating valuation models and updating input values and data required for the model, as well as any other necessary fair value adjustments, to ensure that the valuation results are reasonable.

f. Quantitative information on significant unobservable input (Level 3) in fair value

The significant unobservable inputs of the fair value of financial instruments classified in Level 3 on a recurring basis are as follows:

March 31, 2021

|   | <b>Fair Value</b> | <b>Valuation Techniques</b> | <b>Significant Unobservable Input</b>                      | <b>Range (Weighted-average)</b> | <b>The Relation Between Inputs and Fair Value</b>   |
|---|-------------------|-----------------------------|--|---------------------------------|---|
| Financial assets at fair value through profit or loss             |                   |                             |  |                                 |   |
| Investments in equity instruments                                 | \$ 1,258,688      | Market approach             | Lack of liquidity discount                                 | -%-30%                          | The higher the lack of liquidity, the lower the fair value is                                     |
|   | 988,298           | Asset approach              | Lack of liquidity discount; allowance of minority interest | -%-30%; 5%                      | The higher the lack of liquidity or the higher the equity dispersion, the lower the fair value is |
| Financial assets at fair value through other comprehensive income |                   |                             |  |                                 |   |
| Investments in equity instruments                                 | 1,242,744         | Market approach             | Lack of liquidity discount                                 | 10%-30%                         | The higher the lack of liquidity, the lower the fair value is                                     |
|   | 68,129            | Asset approach              | Lack of liquidity discount; allowance of minority interest | -%-30%; 5%-10%                  | The higher the lack of liquidity or the higher the equity dispersion, the lower the fair value is |
|   | 8,284             | Income approach             | Lack of liquidity discount                                 | 30%                             | The higher the lack of liquidity, the lower the fair value is                                     |

December 31, 2020

|   | <b>Fair Value</b> | <b>Valuation Techniques</b> | <b>Significant Unobservable Input</b>                      | <b>Range (Weighted-average)</b> | <b>The Relation Between Inputs and Fair Value</b>   |
|---|-------------------|-----------------------------|--|---------------------------------|---|
| Financial assets at fair value through profit or loss |                   |                             |  |                                 |   |
| Investments in equity instruments                     | \$ 1,212,799      | Market approach             | Lack of liquidity discount                                 | -%-30%                          | The higher the lack of liquidity, the lower the fair value is                                     |
|   | 884,496           | Asset approach              | Lack of liquidity discount; allowance of minority interest | -%-30%; 5%                      | The higher the lack of liquidity or the higher the equity dispersion, the lower the fair value is |

(Continued)

|   | <b>Fair Value</b> | <b>Valuation Techniques</b> | <b>Significant Unobservable Input</b>                      | <b>Range (Weighted-average)</b> | <b>The Relation Between Inputs and Fair Value</b>   |
|---|-------------------|-----------------------------|--|---------------------------------|---|
| Financial assets at fair value through other comprehensive income |                   |                             |  |                                 |   |
| Investments in equity instruments                                 | \$ 1,239,793      | Market approach             | Lack of liquidity discount                                 | 10%-30%                         | The higher the lack of liquidity, the lower the fair value is                                     |
|   | 66,279            | Asset approach              | Lack of liquidity discount; allowance of minority interest | -%-30%; 5%-10%                  | The higher the lack of liquidity or the higher the equity dispersion, the lower the fair value is |
|   | 8,203             | Income approach             | Lack of liquidity discount                                 | 30%                             | The higher the lack of liquidity, the lower the fair value is                                     |
|   |                   |                             |  |                                 | (Concluded)   |

March 31, 2020

|   | <b>Fair Value</b> | <b>Valuation Techniques</b> | <b>Significant Unobservable Input</b>                      | <b>Range (Weighted-average)</b> | <b>The Relation Between Inputs and Fair Value</b>   |
|---|-------------------|-----------------------------|--|---------------------------------|---|
| Financial assets at fair value through profit or loss             |                   |                             |  |                                 |   |
| Investments in equity instruments                                 | \$ 1,014,724      | Market approach             | Lack of liquidity discount                                 | -%-30%                          | The higher the lack of liquidity, the lower the fair value is                                     |
|   | 846,828           | Asset approach              | Lack of liquidity discount; allowance of minority interest | -%-20%; 5%                      | The higher the lack of liquidity or the higher the equity dispersion, the lower the fair value is |
| Financial assets at fair value through other comprehensive income |                   |                             |  |                                 |   |
| Investments in equity instruments                                 | 1,094,312         | Market approach             | Lack of liquidity discount                                 | 10%-30%                         | The higher the lack of liquidity, the lower the fair value is                                     |
|   | 72,770,           | Asset approach              | Lack of liquidity discount; allowance of minority interest | -%-40%; 10%                     | The higher the lack of liquidity or the higher the equity dispersion, the lower the fair value is |
|   | 8,701             | Income approach             | Lack of liquidity discount                                 | 30%                             | The higher the lack of liquidity, the lower the fair value is                                     |

g. Sensitivity analysis of fair value hierarchy classified in Level 3

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

March 31, 2021

|   | <b>Changes in Fair Value<br/>Reflected in Profit or Loss for<br/>the Current Period</b> |                                | <b>Changes in Fair Value<br/>Reflected in Other<br/>Comprehensive Income for the<br/>Current Period</b> |                                |
|---|---|--------------------------------|---|--------------------------------|
|   | <b>Favorable<br/>Changes</b>  | <b>Unfavorable<br/>Changes</b> | <b>Favorable<br/>Changes</b>  | <b>Unfavorable<br/>Changes</b> |
| Financial assets at fair value<br>through profit or loss<br>Investments in equity<br>instruments                | \$ 224,699  | \$ (224,699)                   | \$ -  | \$ -                           |
| Financial assets at fair value<br>through other comprehensive<br>income<br>Investments in equity<br>instruments | -   | -                              | 131,916   | (131,916)                      |

December 31, 2020

|   | <b>Changes in Fair Value<br/>Reflected in Profit or Loss for<br/>the Current Year</b> |                                | <b>Changes in Fair Value<br/>Reflected in Other<br/>Comprehensive Income for the<br/>Current Year</b> |                                |
|---|---|--------------------------------|---|--------------------------------|
|   | <b>Favorable<br/>Changes</b>  | <b>Unfavorable<br/>Changes</b> | <b>Favorable<br/>Changes</b>  | <b>Unfavorable<br/>Changes</b> |
| Financial assets at fair value<br>through profit or loss<br>Investments in equity<br>instruments                | \$ 209,730  | \$ (209,730)                   | \$ -  | \$ -                           |
| Financial assets at fair value<br>through other comprehensive<br>income<br>Investments in equity<br>instruments | -   | -                              | 131,428   | (131,428)                      |



March 31, 2020

|   | <b>Changes in Fair Value<br/>Reflected in Profit or Loss for<br/>the Current Period</b> |                                | <b>Changes in Fair Value<br/>Reflected in Other<br/>Comprehensive Income for the<br/>Current Period</b> |                                |
|---|---|--------------------------------|---|--------------------------------|
|   | <b>Favorable<br/>Changes</b>  | <b>Unfavorable<br/>Changes</b> | <b>Favorable<br/>Changes</b>  | <b>Unfavorable<br/>Changes</b> |
| Financial assets at fair value<br>through profit or loss<br>Investments in equity<br>instruments                | \$ 186,155  | \$ (186,155)                   | \$ -  | \$ -                           |
| Financial assets at fair value<br>through other comprehensive<br>income<br>Investments in equity<br>instruments | -   | -                              | 117,578   | (117,578)                      |

h. Information on financial liabilities designated as at fair value through profit or loss was as follows:

|  | <b>March 31, 2021</b> | <b>December 31,<br/>2020</b> | <b>March 31, 2020</b>  |
|--|-----------------------|------------------------------|--|
| Difference between carrying amounts and the<br>amounts due on maturity<br>Fair value | \$ 47,795,310         | \$ 50,303,457                | \$ 54,094,589  |
| Amounts due on maturity  | <u>46,274,521</u>     | <u>45,711,540</u>            | <u>48,208,041</u>  |
|  | <u>\$ 1,520,789</u>   | <u>\$ 4,591,917</u>          | <u>\$ 5,886,548</u>  |
|  |                       |                              | <b>Change in Fair<br/>Values<br/>Resulting from<br/>Credit Risk<br/>Variations</b> |
| Accumulated amount of change<br>As of March 31, 2021                                 |                       |                              | <u>\$ 570,396</u>  |
| As of December 31, 2020  |                       |                              | <u>\$ 651,070</u>  |
| As of March 31, 2020   |                       |                              | <u>\$ 276,310</u>  |

The change in fair value of bank debentures and structured products resulting from credit risk variation is the difference between the total change in fair value and the change in fair value due to market risk variations of these financial instruments. The change in fair value resulting from market risk variations is calculated using the benchmark yield rate plus a fixed credit spread. The fair values of bank debentures and structured products are the present values of future cash flows discounted by the benchmark yield rate quoted in the market as of the balance sheet date plus the credit spread estimated using the interest rates of the debt issuers' borrowings with similar maturities.

i. Information on financial risk management

1) ESFHC

a) Risk management

ESFHC established the Risk Management Committee, of which the convener is the general manager and the executive secretary is the chief risk officer, to draw up the principles and policies of risk management to be followed by each subsidiary, to coordinate and monitor the enforcement of risk management policies of each subsidiary and to deliberate whether proposals brought up by each risk-based unit focusing on a variety of individual issues are suitable for the Company.

b) Market risk

ESFHC set up the “Market Risk Management Principle of E.SUN Financial Holding Company” as the guideline for market risk management.

It monitors and controls the market risk of ESFHC and subsidiaries, and sets up the risk limit of ESFHC and subsidiaries, including the value at risk (VaR) limit, Position-limit and Stop Loss Limit. ESFHC also makes a risk evaluation report, which covers the taking of risk exposure by each risk-based unit and the adequacy of the current risk management system, to the board of directors quarterly.

The operation of ESFHC involves currencies different from its functional currency, i.e., foreign currencies; thus, ESFHC is exposed to foreign-exchange risks. As of March 31, 2021, December 31, 2020 and March 31, 2020, ESFHC does not conduct any businesses involves currencies different from its functional currency.

The influence of the fluctuations in exchange rates for foreign-currency assets and liabilities on profit or loss is limited; thus, ESFHC expects the risk from exchange rate fluctuations to be immaterial.

c) Credit risk

To maintain good asset quality, ESFHC’s subsidiaries have established independent credit review divisions and set up fair credit approval processes. ESFHC and subsidiaries also set up management policies and requirements of counterparties’ credit rating, default risk, settlement risk, and risk concentration pertaining products, industries, and affiliates.

d) Liquidity risk

ESFHC set up the “Liquidity Risk Management Guideline of E.SUN Financial Holding Company” as the guideline for liquidity risk management. It monitors and asks ESFHC and subsidiaries to maintain appropriate liquidity, payment ability, financial stability, and to improve urgent situation handling ability. ESFHC and subsidiaries also follow the requirements of authorities, adopt numeral management, and compile cash flow gap analysis report regularly. Additionally, ESFHC and subsidiaries set up liquidity risk management index and monitor it strictly.

## 2) E.SUN Bank and its subsidiaries

### a) Risk management

E.SUN Bank established the Risk Management Division to draw up the principles and policies of risk management to be followed by each department, to coordinate and monitor the enforcement of risk management policies of each department, and to deliberate whether proposals brought up by each risk-based unit to deal with a variety of issues are suitable for E.SUN Bank.

### b) Credit risk

Credit risk refers to E.SUN Bank and its subsidiaries' exposure to financial losses due to inability of customers or counterparties to meet the contractual obligations on financial instruments. Credit risk exists in both on- and off-balance sheet items. The on-balance sheet exposure to credit risks is mainly in loans and the credit card business, due from other banks, call loans to other banks, investment in debt instrument and derivatives. The off-balance sheet exposure to credit risks is mainly in financial guarantees, acceptance, letter of credits and loan commitments.

To ensure its credit risk falls within the acceptable range, E.SUN Bank and its subsidiaries have stipulated in the Guidelines for Credit 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, E.SUN Bank and its subsidiaries should make a detailed analysis to identify existing and potential credit risks. Before launching new products or businesses, E.SUN Bank and its subsidiaries ensure compliance with all applicable rules and regulations and identify relevant credit risks. For sophisticated credit extensions, such as accounts receivable factored without recourse and credit derivative instruments, etc., E.SUN Bank and its subsidiaries also require the use of a certain risk management system described in related rules and guidelines. The assessment of asset qualities and provision for possible losses of the overseas operating units, unless regulated by the local authorities, are in accordance with E.SUN Bank and its subsidiaries' risk management policies and guidelines.

The measurement and management of credit risks from E.SUN Bank and its subsidiaries' main businesses are as follows:

#### i. Loans and credit card business (including loan commitment and guarantees)

On each reporting date, E.SUN Bank and its subsidiaries assess the change in the default risk of financial assets, as well as consider reasonable and corroborative information that shows the credit risk has increased significantly since initial recognition, including the overdue status of credit assets from clients, actual repayment situation, credit investigation result, announcement of dishonored checks and negotiation of the debts from other financial institutions, or the debtor has reorganized or is likely to reorganize to determine whether the credit risk has increased significantly.

E.SUN Bank and its subsidiaries adopt the 12-month ECLs to evaluate the loss allowance of financial instruments whose credit risk do not increase significantly since initial recognition, and adopt the lifetime ECLs to evaluate the loss allowance of financial instruments whose credit risk has increased significantly since initial recognition or of that are credit-impaired.

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

“PD” refers to the borrower’s probability of default and “LGD” refers to losses caused by the default. E.SUN Bank and its subsidiaries apply the “PD” and “LGD” to the credit business according to each group’s historical information (such as credit loss experience) from internal statistical data, and adjust historical data based on current observable and forward-looking macroeconomic information, then calculate by applying the progressive one factor model. E.SUN Bank and its subsidiaries periodically review forward-looking macroeconomic information and timely adjusts “PD” for impact of factors such as the COVID-19.

E.SUN Bank and its subsidiaries estimate the account balance based on the ways in repayment, and consider the possible survival rate to calculate the EAD. In addition, E.SUN Bank and its subsidiaries estimate the 12-month ECLs and lifetime ECLs of loan commitments by considering the portion of the loan commitments expected to be used within 12 months after the reporting date and within expected lifetime based on the guidelines issued by the Bank’s Association and Basel Accords to determine the amount of “EAD” for calculating expected credit losses.

E.SUN Bank and its subsidiaries use the same definitions for default and credit impairment of financial assets. If one or more of the conditions are met, for instance, the financial assets are overdue for more than 90 days, or the credit investigation appears to be abnormal, E.SUN Bank and its subsidiaries determine that the financial assets are defaulted and credit-impaired.

Credit assets are classified into five categories. In addition to normal credit assets that are classified as sound assets, the unsound assets are classified, on the basis of the valuation of collaterals and the length of time the payments become overdue, as special mention, substandard, with collectability high doubtful and uncollectable. E.SUN Bank and its subsidiaries also set up policies for the management of doubtful credits and the collection of overdue debts to deal with collection problems.

For risk management purposes, E.SUN Bank and its subsidiaries rate credit qualities (by using an internal rating model for credit risk, a credit score table, etc.) in accordance with the nature and scale of a business.

With the use of statistical method and judgment by experts, E.SUN Bank and its subsidiaries have developed a credit rating model for clients. E.SUN Bank and its subsidiaries review the model periodically to examine if the outcome matches reality and adjusts each parameter to optimize the result. Except the petit credit and residential mortgage, which are assessed by using the credit rating model, consumer loans are assessed individually for default risks.

E.SUN Bank and its subsidiaries classify the credit qualities of corporate loans as strong, medium and weak.

E.SUN Bank and its subsidiaries evaluate the credit rating of borrowers at least once a year. In addition, to ensure the estimates used are reasonable and to make sure the outcome calculated matches reality, E.SUN Bank and its subsidiaries annually conduct validity test and back testing on the models using data on customers’ actual defaults.

ii. Due from and call loans to other banks

E.SUN Bank and its subsidiaries evaluate the credit status of counterparties before deals are closed. E.SUN Bank and its subsidiaries grant different limits to the counterparties based on their respective credit ratings as suggested by domestic and foreign credit rating institutes.

iii. Investments in debt instruments and derivatives

Investments in debt instruments were classified as at FVTOCI and as at amortized cost.

March 31, 2021

|  | <b>At FVTOCI</b>      | <b>At Amortized<br/>Cost</b> | <b>Total</b>          |
|--|-----------------------|------------------------------|-----------------------|
| Gross carrying amount                  | \$ 294,520,723        | \$ 22,942,866                | \$ 317,463,589        |
| Less: Allowance for impairment<br>loss | <u>(82,316)</u>       | <u>(4,142)</u>               | <u>(86,458)</u>       |
| Amortized cost                         | 294,438,407           | <u>\$ 22,938,724</u>         | 317,377,131           |
| Adjustment to fair value               | <u>405,261</u>        |                              | <u>405,261</u>        |
|  | <u>\$ 294,843,668</u> |                              | <u>\$ 317,782,392</u> |

December 31, 2020

|  | <b>At FVTOCI</b>      | <b>At Amortized<br/>Cost</b> | <b>Total</b>          |
|--|-----------------------|------------------------------|-----------------------|
| Gross carrying amount                  | \$ 252,614,603        | \$ 16,467,373                | \$ 269,081,976        |
| Less: Allowance for impairment<br>loss | <u>(71,696)</u>       | <u>(1,575)</u>               | <u>(73,271)</u>       |
| Amortized cost                         | 252,542,907           | <u>\$ 16,465,798</u>         | 269,008,705           |
| Adjustment to fair value               | <u>1,795,959</u>      |                              | <u>1,795,959</u>      |
|  | <u>\$ 254,338,866</u> |                              | <u>\$ 270,804,664</u> |

March 31, 2020

|  | <b>At FVTOCI</b>      | <b>At Amortized<br/>Cost</b> | <b>Total</b>          |
|--|-----------------------|------------------------------|-----------------------|
| Gross carrying amount                  | \$ 209,336,707        | \$ 13,795,046                | \$ 223,131,753        |
| Less: Allowance for impairment<br>loss | <u>(53,796)</u>       | <u>(1,492)</u>               | <u>(55,288)</u>       |
| Amortized cost                         | 209,282,911           | <u>\$ 13,793,554</u>         | 223,076,465           |
| Adjustment to fair value               | <u>814,053</u>        |                              | <u>814,053</u>        |
|  | <u>\$ 210,096,964</u> |                              | <u>\$ 223,890,518</u> |

E.SUN Bank and its subsidiaries only invest in debt instruments that are rated the equivalent of investment grade or higher and have low credit risk for the purpose of impairment assessment. The credit rating information is supplied by independent rating agencies. The Company's exposure and the external credit ratings are continuously monitored. The Company reviews changes in bond yields and other public information and makes an assessment whether there has been a significant increase in credit risk since the investment was recognized.

In order to minimize credit risk, E.SUN Bank and its subsidiaries have tasked a team to develop and maintain a credit risk grading framework to categorize exposures according to degree of risk of default. The credit rating information may be obtained from independent rating agencies where available and, if not available, the team uses other publicly available financial information to rate the debtors.

E.SUN Bank and its subsidiaries consider the historical default rates of each credit rating supplied by external rating agencies, the current financial condition of debtors, and industry forecast to estimate 12-month or lifetime expected credit losses. E.SUN Bank and its subsidiaries' current credit risk grading framework comprises the following categories:

March 31, 2021

| Credit Rating | Description   | Basis for Recognizing Expected Credit Losses | Expected Credit Loss Rate | Gross Carrying Amount |
|---------------|---|--|---------------------------|-----------------------|
| Performing    | The counterparty has a low risk of default and a strong capacity to meet contractual cash flows | 12-month ECL                                 | -%-0.16%                  | \$ 317,463,589        |

December 31, 2020

| Credit Rating | Description   | Basis for Recognizing Expected Credit Losses | Expected Credit Loss Rate | Gross Carrying Amount |
|---------------|---|--|---------------------------|-----------------------|
| Performing    | The counterparty has a low risk of default and a strong capacity to meet contractual cash flows | 12-month ECL                                 | -%-0.25%                  | \$ 269,081,976        |

March 31, 2020

| Credit Rating | Description   | Basis for Recognizing Expected Credit Losses | Expected Credit Loss Rate | Gross Carrying Amount |
|---------------|---|--|---------------------------|-----------------------|
| Performing    | The counterparty has a low risk of default and a strong capacity to meet contractual cash flows | 12-month ECL                                 | -%-0.18%                  | \$ 223,131,753        |

The allowance for impairment loss of investments in debt instruments at FVTOCI and at amortized cost grouped by credit rating is reconciled as follows:

For the three months ended March 31, 2021

|                                      | <u>Credit Rating</u>  |
|--------------------------------------|-----------------------|
|                                      | <b>Performing</b>     |
|                                      | <b>(12-Month ECL)</b> |
| <b>Allowance for Impairment Loss</b> |                       |
| Balance at January 1, 2021           | \$ 73,271             |
| New financial assets purchased       | 13,398                |
| Derecognition                        | (2,846)               |
| Change in model or risk parameters   | 2,738                 |
| Change in exchange rates or others   | <u>(103)</u>          |
| Balance at March 31, 2021            | <u>\$ 86,458</u>      |

For the three months ended March 31, 2020

|                                      | <u>Credit Rating</u><br><u>Performing</u><br><u>(12-Month</u><br><u>ECL)</u> |
|--------------------------------------|--|
| <b>Allowance for Impairment Loss</b> |  |
| Balance at January 1, 2020           | \$ 57,403  |
| New financial assets purchased       | 8,495  |
| Derecognition                        | (8,925)  |
| Change in model or risk parameters   | (1,226)  |
| Change in exchange rates or others   | <u>(459)</u>   |
| Balance at March 31, 2020            | <u>\$ 55,288</u>   |

E.SUN Bank and its subsidiaries identify and manage credit risks from debt instruments using external credit ratings of the debt instruments along with the evaluation of credit qualities of bonds, regional conditions and counterparties risks.

The other banks with which E.SUN Bank and its subsidiaries conduct derivative transactions are mostly considered investment grade. E.SUN Bank and its subsidiaries monitor the credit limits (including lending limits) by counterparties. The credits extended to counterparties that are not rated as investment grade are assessed case by case. The credits extended to counterparties who are general customers are monitored in accordance with the related contract terms and conditions and the credit limits for derivatives established in normal credit granting processes.

E.SUN Bank and its subsidiaries classify the debt instruments and derivatives into different categories, which are mainly based on the credit ratings provided by external credit agencies (Moody's, S&P, Fitch or Taiwan Ratings).

E.SUN Bank and its subsidiaries have a series of measures for credit granting to reduce credit risks. One of the procedures is asking for collaterals from the borrowers. To secure the debt, E.SUN Bank and its subsidiaries manage and assess the collaterals following the procedures that determine the scope of collateralization and valuation of collaterals and the process of disposition. In credit contracts, E.SUN Bank and its subsidiaries stipulate the security mechanism for debts; the conditions and terms for collaterals; and the terms and conditions of offsetting to state clearly that E.SUN Bank and its subsidiaries reserve the right to reduce the granted quota, to reduce the repayment period, to demand immediate settlement or to offset the debts of the borrowers by their deposits in E.SUN Bank and its subsidiaries in order to reduce the credit risks. The requirements for collaterals for other non-credit businesses depend on the nature of the financial instruments. Asset-backed securities and similar financial instruments are required to provide a pool of underlying financial assets as collaterals.

To avoid the concentration of credit risks, E.SUN Bank and its subsidiaries have included credit limits for a single counterparty and for a single group in its credit-related guidelines. E.SUN Bank and its subsidiaries have also included credit limits for an individual (entity) and for related enterprises (group) in the guidelines for investment and regulations for risk control on equity investments. To manage the concentration risk on the assets, E.SUN Bank and its subsidiaries set credit limits by industry, conglomerate, country, transactions collateralized by stocks, and other categories and integrated within one system the supervision of concentration of credit risk in these categories.

E.SUN Bank and its subsidiaries settle 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.

The maximum exposures of assets on the consolidated balance sheets to credit risks without consideration of guarantees or other credit enforcement instruments approximate the assets' carrying amounts. The maximum exposures of off-balance sheet items to credit risks without consideration of guarantees or other credit enforcement instrument are stated as follows:

March 31, 2021

|   | <b>12-Month ECL</b>     | <b>Lifetime ECL</b> | <b>Lifetime ECL<br/>(Credit - Impaired<br/>Financial Assets)</b> | <b>Difference Of<br/>Impairment Loss<br/>Under Regulations</b> | <b>Total</b>            |
|---|-------------------------|---------------------|--|--|-------------------------|
| Maximum exposure to credit risk                 | \$ 1,302,020,882        | \$ 177,610          | \$ 19,083,835  | \$ -   | \$ 1,321,282,327        |
| Allowance for possible losses                   | (75,631)                | (892)               | (4,326)  | -  | (80,849)                |
| Difference of impairment loss under regulations | -                       | -                   | -  | (735,610)  | (735,610)               |
|   | <u>\$ 1,301,945,251</u> | <u>\$ 176,718</u>   | <u>\$ 19,079,509</u>   | <u>\$ (735,610)</u>  | <u>\$ 1,320,465,868</u> |

December 31, 2020

|   | <b>12-Month ECL</b>     | <b>Lifetime ECL</b> | <b>Lifetime ECL<br/>(Credit - Impaired<br/>Financial Assets)</b> | <b>Difference Of<br/>Impairment Loss<br/>Under Regulations</b> | <b>Total</b>            |
|---|-------------------------|---------------------|--|--|-------------------------|
| Maximum exposure to credit risk                 | \$ 1,272,959,941        | \$ 156,606          | \$ 19,074,252  | \$ -   | \$ 1,292,190,799        |
| Allowance for possible losses                   | (421,939)               | (1,685)             | (3,228)  | -  | (426,852)               |
| Difference of impairment loss under regulations | -                       | -                   | -  | (397,535)  | (397,535)               |
|   | <u>\$ 1,272,538,002</u> | <u>\$ 154,921</u>   | <u>\$ 19,071,024</u>   | <u>\$ (397,535)</u>  | <u>\$ 1,291,366,412</u> |

March 31, 2020

|   | <b>12-Month ECL</b>     | <b>Lifetime ECL</b> | <b>Lifetime ECL<br/>(Credit - Impaired<br/>Financial Assets)</b> | <b>Difference Of<br/>Impairment Loss<br/>Under Regulations</b> | <b>Total</b>            |
|---|-------------------------|---------------------|--|--|-------------------------|
| Maximum exposure to credit risk                 | \$ 1,267,388,474        | \$ 520,155          | \$ 19,314,423  | \$ -   | \$ 1,287,223,052        |
| Allowance for possible losses                   | (291,015)               | (9,604)             | (4,726)  | -  | (305,345)               |
| Difference of impairment loss under regulations | -                       | -                   | -  | (356,613)  | (356,613)               |
|   | <u>\$ 1,267,097,459</u> | <u>\$ 510,551</u>   | <u>\$ 19,309,697</u>   | <u>\$ (356,613)</u>  | <u>\$ 1,286,561,094</u> |

The management of E.SUN Bank and its subsidiaries believes their abilities to minimize the credit risk exposures of the off-balance sheet items are mainly attributed to their rigorous evaluation of credit extended and the periodic reviews of these credits.



The maximum exposures of consolidated balance sheet items (recognized as financial assets), collateral, master netting arrangements and other credit enforcement instruments are as follows:

March 31, 2021

|   | Carrying Amount | Maximum Exposure to Credit Risk Mitigated by |                             |                           | Total     |
|---|-----------------|--|-----------------------------|---------------------------|-----------|
|   |                 | Collateral                                   | Master Netting Arrangements | Other Credit Enhancements |           |
| <u>Credit-impaired financial assets</u> |                 |  |                             |                           |           |
| Receivables                             |                 |  |                             |                           |           |
| Credit cards                            | \$ 2,628,061    | \$ -   | \$ -                        | \$ -                      | \$ -      |
| Other                                   | 75,665          | -  | -                           | -                         | -         |
| Discounts and loans                     | 7,942,494       | 3,658,713                                    | -                           | -                         | 3,658,713 |

December 31, 2020

|   | Carrying Amount | Maximum Exposure to Credit Risk Mitigated by |                             |                           | Total     |
|---|-----------------|--|-----------------------------|---------------------------|-----------|
|   |                 | Collateral                                   | Master Netting Arrangements | Other Credit Enhancements |           |
| <u>Credit-impaired financial assets</u> |                 |  |                             |                           |           |
| Receivables                             |                 |  |                             |                           |           |
| Credit cards                            | \$ 2,609,208    | \$ -   | \$ -                        | \$ -                      | \$ -      |
| Other                                   | 39,567          | -  | -                           | -                         | -         |
| Discounts and loans                     | 8,238,531       | 4,328,179                                    | -                           | -                         | 4,328,179 |

March 31, 2020

|   | Carrying Amount | Maximum Exposure to Credit Risk Mitigated by |                             |                           | Total     |
|---|-----------------|--|-----------------------------|---------------------------|-----------|
|   |                 | Collateral                                   | Master Netting Arrangements | Other Credit Enhancements |           |
| <u>Credit-impaired financial assets</u> |                 |  |                             |                           |           |
| Receivables                             |                 |  |                             |                           |           |
| Credit cards                            | \$ 2,567,821    | \$ -   | \$ -                        | \$ -                      | \$ -      |
| Other                                   | 455,169         | -  | -                           | -                         | -         |
| Discounts and loans                     | 8,669,850       | 3,953,610                                    | -                           | -                         | 3,953,610 |

Concentration of credit risk exists when counterparties to financial transactions are individuals or groups engaged in similar activities or activities in the same region, which would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. E.SUN Bank and its subsidiaries did not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Group or industry, regions and collaterals that were 10% or more of total outstanding loans of E.SUN Bank were as follows:

| <b>Credit Risk Profile<br/>by Group or<br/>Industry</b> | <b>March 31, 2021</b> |          | <b>December 31, 2020</b> |          | <b>March 31, 2020</b> |          |
|---|-----------------------|----------|--------------------------|----------|-----------------------|----------|
|   | <b>Amount</b>         | <b>%</b> | <b>Amount</b>            | <b>%</b> | <b>Amount</b>         | <b>%</b> |
| Natural person  | \$ 821,544,518        | 50       | \$ 828,583,073           | 50       | \$ 733,033,627        | 49       |
| Manufacturing   | 305,986,295           | 19       | 302,958,374              | 18       | 292,407,334           | 19       |
| Finance, insurance<br>and real estate                   | 172,921,482           | 11       | 167,374,463              | 10       | 149,163,289           | 10       |

  

| <b>Credit Risk Profile<br/>by Regions</b> | <b>March 31, 2021</b> |          | <b>December 31, 2020</b> |          | <b>March 31, 2020</b> |          |
|---|-----------------------|----------|--------------------------|----------|-----------------------|----------|
|   | <b>Amount</b>         | <b>%</b> | <b>Amount</b>            | <b>%</b> | <b>Amount</b>         | <b>%</b> |
| Domestic                                  | \$ 1,417,465,406      | 87       | \$ 1,420,878,973         | 87       | \$ 1,262,453,323      | 84       |

  

| <b>Credit Risk Profile<br/>by Collaterals</b> | <b>March 31, 2021</b> |          | <b>December 31, 2020</b> |          | <b>March 31, 2020</b> |          |
|---|-----------------------|----------|--------------------------|----------|-----------------------|----------|
|   | <b>Amount</b>         | <b>%</b> | <b>Amount</b>            | <b>%</b> | <b>Amount</b>         | <b>%</b> |
| Unsecured                                     | \$ 398,023,068        | 24       | \$ 399,459,492           | 24       | \$ 400,047,344        | 27       |
| Secured                                       |                       |          |                          |          |                       |          |
| Real estate                                   | 1,083,601,748         | 66       | 1,082,599,716            | 66       | 960,336,862           | 64       |

Some financial assets held by E.SUN Bank and its subsidiaries, such as cash and cash equivalents, due from the Central Bank and call loans to other banks, financial assets at fair value through profit or loss, securities purchased under resell agreements and refundable deposits, are exposed to low credit risks because the counterparties have rather high credit ratings.

The credit quality of discounts and loans evaluation on a 12-month expected credit loss basis were as follows:

|                               | <b>March 31, 2021</b>   | <b>December 31,<br/>2020</b> | <b>March 31, 2020</b>   |
|-------------------------------|-------------------------|------------------------------|-------------------------|
| Credit rating                 |                         |                              |                         |
| Strong                        | \$ 880,992,640          | \$ 889,058,344               | \$ 816,187,169          |
| Medium                        | 705,849,981             | 699,310,944                  | 641,600,790             |
| Weak                          | <u>38,999,968</u>       | <u>40,114,730</u>            | <u>31,536,942</u>       |
| Carrying value                | 1,625,842,589           | 1,628,484,018                | 1,489,324,901           |
| Allowance for possible losses | <u>(840,667)</u>        | <u>(3,536,235)</u>           | <u>(2,119,896)</u>      |
|                               | <u>\$ 1,625,001,922</u> | <u>\$ 1,624,947,783</u>      | <u>\$ 1,487,205,005</u> |

c) Market risk

Market risk refers to the risk of fluctuation in the fair values or the future cash flows of the on- and off-balance sheet instruments held by E.SUN Bank and its subsidiaries because of market price changes. The risk factors that cause market price changes usually include interest rates, exchange rates, and the prices of equity securities and commodities. Changes in these risk factors will cause risk of fluctuation in the net income or in the value of investment portfolio of E.SUN Bank and its subsidiaries.

The main market risks E.SUN Bank and its subsidiaries face are the risks on equity securities, interest rates, and exchange rate risks. The equity securities exposed to market risks mainly include stocks listed on the TWSE or traded on the Taiwan GreTai Securities Market or Emerging Stock Market and stock index futures in Taiwan; the instruments exposed to interest rate risk mainly include bonds and interest rate derivatives such as the fixed-for-floating interest rate swap; and the instruments exposed to exchange rate risk mainly include the consolidated positions of the investment held by E.SUN Bank and its subsidiaries, such as the derivatives denominated in foreign currency and foreign-currency bonds.

E.SUN Bank monitors the market risk positions and the tolerable loss of E.SUN Bank in accordance with the goals of risk management and the amount limits authorized by the board of directors. E.SUN Bank has set up market risk information systems to effectively monitor the management of amount limits on financial instruments, to evaluate the profit and loss, to conduct sensitivity analysis, stress test and calculation of value at risk (VaR), etc. The result is reported in the meetings of risk management and to the board of directors as their reference for making managerial decisions.

E.SUN Bank and its subsidiaries mainly divide the positions exposed to market risks into investment portfolios held for trading and investment portfolios not held for trading. The portfolios are monitored by the Risk Management Division, and the management results are reported regularly to the board of directors and the supervisors of each division.

The business units and the risk management units both identify market risk factors for E.SUN Bank and its subsidiaries' exposed positions in order to measure market risks. Market risk factors refer to the factors that affect interest rates, exchange rates and values of held financial instruments such as equity securities, etc. E.SUN Bank and its subsidiaries analyze the impact of risk factors on their holding positions, profit and loss, negative result of stress test, sensitivity, VaR, etc., and measure the levels within which the investment portfolios and equity securities might suffer from interest rate risks, exchange rate risks, etc.

The Risk Management Division reports regularly to the board of directors the achievement of management objectives on market risks, the control of holding positions and profit and loss, the sensitivity analysis, the stress test, the value at risk of equity securities, etc. for their understanding of E.SUN Bank's market risk control. E.SUN Bank also has sound mechanisms for reporting and set limits and stop-loss regulations for all the transactions. If a trade reaches the stop-loss limit, the stop-loss will be executed immediately. Trades that do not follow the stop-loss rule should be reported to the management for their approval, and the reasons for their noncompliance as well as corresponding strategies should also be presented to the management.

#### Effect of interest rate benchmark reform

E.SUN Bank and its subsidiaries is exposed to LIBOR (with the highest percentage in USD LIBOR) which is subject to interest rate benchmark reform. The exposures arise on derivatives and non-derivative financial assets and liabilities. SOFR (Secured Overnight Financing Rate) is expected to replace USD LIBOR. There are key differences between USD LIBOR and SOFR. USD LIBOR is "forward looking", which implies market expectation over future interest rates, and includes a credit spread over the risk-free rate. SOFR is currently a "backward-looking" rate, based on interest rates from actual transactions, and excludes a credit spread. To transition existing contracts and agreements that reference USD LIBOR to SOFR, adjustments for these differences might need to be applied to SOFR to enable the two benchmark rates to be economically equivalent.

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

E.SUN Bank and its subsidiaries established a LIBOR transition project plan. This transition project is considering product conversion, contract modification, communication between customers and investors, adjustments to system and process regulation adjustment, finance and tax implication as well as risk model, and will be implemented by corresponding LIBOR transition response team. As at March 31, 2021, changes required to IT systems, internal processes and financial instrument contract have been identified and have been partially implemented with an aim to finalize the amendment in December 2021.

The following table contains details of non-derivative financial instruments held by the E.SUN Bank and its subsidiaries at March 31, 2021 which are subject to the reform and have not transitioned to an alternative benchmark interest rate:

|  | <b>Carrying<br/>Amount</b> |
|--|----------------------------|
| Financial assets that reference USD LIBOR                                |                            |
| Financial assets at FVTPL  | \$ 101,371,045             |
| Financial assets at FVTOCI   | 31,884,206                 |
| Investments in debt instruments at amortized cost                        | 1,426,331                  |
| Discounts and loans  | <u>79,888,686</u>          |
|  | <u>214,570,268</u>         |
| Financial assets that reference GBP LIBOR                                |                            |
| Discounts and loans  | <u>2,168,808</u>           |
| Financial assets that reference JPY LIBOR                                |                            |
| Discounts and loans  | <u>5,231,212</u>           |
| Financial assets that reference EUR LIBOR                                |                            |
| Discounts and loans  | <u>2,670,231</u>           |
| Financial assets that reference CHF LIBOR                                |                            |
| Discounts and loans  | <u>24,344</u>              |
| Interest rate benchmark reform effect of non-derivative financial assets | <u>\$ 224,664,863</u>      |
| Financial liabilities that reference USD LIBOR                           |                            |
| Deposits and remittances   | <u>\$ 3,282,182</u>        |

The following table contains details of derivative financial instruments held by E.SUN Bank and its subsidiaries at March 31, 2021 which are subject to the reform and have not transitioned to an alternative benchmark interest rate

|   |                           | <b>Carrying Amount</b>  |                                  |
|---|---------------------------|-------------------------|----------------------------------|
|   | <b>Nominal<br/>Amount</b> | <b>Financial Assets</b> | <b>Financial<br/>Liabilities</b> |
| Derivative financial instruments that reference USD LIBOR |                           |                         |                                  |
| Interest Rate Swap  | \$ 157,582,419            | \$ 4,287,135            | \$ 2,696,672                     |

E.SUN Bank uses the VaR model and stress tests to evaluate risks on investment portfolios for trading. E.SUN Bank also assesses market risks and evaluates the maximum expected loss of positions through making assumptions on changes in various market conditions. The board of directors set amount limits based on VaR. The whole risk management process is monitored daily by the Risk Management Division.

VaR statistically estimates the potential loss of the positions due to adverse market movements. E.SUN Bank may suffer the “maximum potential loss” within a certain confidence interval (99%), so it is still probable that the actual loss is larger than the VaR to some extent. VaR model assumes that E.SUN Bank holds the positions at least for the minimum holding periods (10 days) before they can be settled, and that the market fluctuation in these 10 days is similar to that in the past. E.SUN Bank evaluates historical market fluctuation based on historical data in the past two years. It evaluates the VaR of its holding positions using the variance/covariance method. The computation will be used for periodic examinations and verification of assumptions and parameters used. However, this evaluation method cannot prevent losses from significant market fluctuations.

Information on the VaR of E.SUN Bank was as follows:

For the three months ended March 31, 2021

| <b>Historical Values at Risk (99%, 10-day)</b> | <b>Average</b>      | <b>Minimum</b> | <b>Maximum</b> | <b>March 31, 2021</b> |
|--|---------------------|----------------|----------------|-----------------------|
| <u>By risk type</u>                            |                     |                |                |                       |
| Currency                                       | \$ 3,304,396        | \$ 2,448,563   | \$ 4,108,441   | \$ 3,284,502          |
| Interest                                       | 5,433,248           | 3,518,810      | 6,988,286      | 5,489,276             |
| Equity   | 524,778             | 231,122        | 938,144        | 793,231               |
| Risk diversification                           | <u>(4,021,165)</u>  | -              | -              | <u>(3,503,148)</u>    |
| Total risk exposure                            | <u>\$ 5,241,257</u> |                |                | <u>\$ 6,063,861</u>   |

For the year ended December 31, 2020

| <b>Historical Values at Risk (99%, 10-day)</b> | <b>Average</b>      | <b>Minimum</b> | <b>Maximum</b> | <b>December 31, 2020</b> | <b>March 31, 2020</b> |
|--|---------------------|----------------|----------------|--------------------------|-----------------------|
| <u>By risk type</u>                            |                     |                |                |                          |                       |
| Currency                                       | \$ 3,223,971        | \$ 1,989,772   | \$ 4,108,441   | \$ 3,243,184             | \$ 4,001,770          |
| Interest                                       | 5,243,051           | 3,700,329      | 6,952,590      | 5,727,202                | 4,843,398             |
| Equity   | 402,932             | 175,387        | 672,918        | 672,918                  | 229,922               |
| Risk diversification                           | <u>(3,871,450)</u>  | -              | -              | <u>(4,174,418)</u>       | <u>(4,133,226)</u>    |
| Total risk exposure                            | <u>\$ 4,998,504</u> |                |                | <u>\$ 5,468,886</u>      | <u>\$ 4,941,864</u>   |

Stress test is used to measure the greatest potential losses of the portfolio of risk assets under the worst scenarios. The Risk Management Division performs it, and it includes (a) a stress test on risk factors, in which the stress test is applied to all kinds of risks; and (b) a temporary stress test, in which the stress test is applied to special investment positions or specific investment areas, for example, areas where exchange rates fluctuate dramatically. The results of stress tests are reported to the senior management.

For the information on the foreign-currency financial assets and liabilities with significant effect, please refer to Table 3.

d) Liquidity risk

Liquidity risk refers to the possibility of financial loss resulting from the shortage of funds in meeting the needs of asset acquisition or debt repayment on maturity. Examples are the depositors' withdrawal of deposits before maturity, difficulty in raising funds from other banks or worsening funding conditions due to the fluctuations in specific markets, unstable recovery of money due to credit defaults, deterioration of the convertibility of financial instruments, early termination of interest-sensitive instruments, etc. These situations might result in decrease of cash inflows from loans, trades and investments. In some extreme cases, lack of liquidity may cause decrease of asset values in balance sheets, disposal of assets or other situations in which loan commitments cannot be met. Liquidity risks exist in all banking operations, and are influenced by specific events from industries or markets, including but not limited to credit events, mergers and acquisitions, systematic risks in the industry or natural disasters.

Liquidity risk management is done by the Money Market Division and monitored by the Risk Management Division. The procedures include (a) maintaining daily money market operations and monitoring future cash flows to ensure the meeting of liquidity requirements; (b) holding an appropriate amount of readily convertible and highly liquid assets to prevent from unpredictable events that disrupt cash flows; (c) monitoring the liquidity ratios for the balance sheets in accordance with internal and external policies; and (d) managing security products during their remaining maturity periods. Liquidity risk monitoring and reporting are based on the valuation and prediction of future cash flows from different terms to maturity (maturity gap is used by E.SUN Bank as a tool to manage liquidity risk). The prediction of cash flows involves the cash outflows at the maturity date of the financial liabilities and the cash inflows at the receipt date of financial assets.

For maintaining solvency and meeting the needs of emergency assistance arrangements, E.SUN Bank and its subsidiaries hold cash and high-quality, liquid interest-bearing assets. The assets held for liquidity risk management include cash and cash equivalents, due from Central Bank and call loans to other banks, financial assets at fair value through profit or loss, discounts and loans, financial assets at fair value through other comprehensive income, debt instruments at amortized cost, etc.

The liquidity reserve ratios of E.SUN Bank for March 31, 2021, December 31, 2020 and March 31, 2020 were 34.99%, 35.84% and 35.09%, respectively.

E.SUN Bank and its subsidiaries disclosed the analysis of cash outflows from nonderivative financial liabilities by the residual maturities as of the balance sheet date. The amounts of cash outflows are based on contractual cash flows, so some amounts may not correspond to those that shown in the consolidated balance sheets.

| March 31, 2021   | 0-30 Days     | 31-90 Days    | 91-180 Days  | 181 Days - 1 Year | Over 1 Year | Total         |
|--|---------------|---------------|--------------|-------------------|-------------|---------------|
| Deposits from the Central Bank and other banks                           | \$ 60,870,168 | \$ 12,724,558 | \$ 1,955,269 | \$ 1,269,426      | \$ 14,227   | \$ 76,833,648 |
| Due to the Central Bank and other banks                                  | -             | -             | 10,040,830   | -                 | -           | 10,040,830    |
| Nonderivative financial liabilities at fair value through profit or loss | -             | -             | -            | 785,572           | 45,488,949  | 46,274,521    |
| Securities sold under repurchase agreements                              | 11,022,629    | 995,043       | 1,184,560    | -                 | -           | 13,202,232    |
| Payables   | 19,402,183    | 636,298       | 383,050      | 387,566           | 179,101     | 20,988,198    |
| Deposits and remittances   | 890,926,209   | 190,084,908   | 259,407,466  | 405,161,400       | 692,180,701 | 2,437,760,684 |
| Bank debentures  | -             | -             | -            | -                 | 32,670,000  | 32,670,000    |
| Lease liabilities  | 71,445        | 171,531       | 251,793      | 471,147           | 2,166,034   | 3,131,950     |
| Other items of cash outflow on maturity                                  | 7,386,309     | 1,412,105     | 843,734      | 76,516            | 46,702,312  | 56,420,976    |

| <b>December 31, 2020</b>   | <b>0-30 Days</b> | <b>31-90 Days</b> | <b>91-180 Days</b> | <b>181 Days - 1 Year</b> | <b>Over 1 Year</b> | <b>Total</b>  |
|--|------------------|-------------------|--------------------|--------------------------|--------------------|---------------|
| Deposits from the Central Bank and other banks                           | \$ 41,977,252    | \$ 10,665,356     | \$ 1,516,729       | \$ 809,649               | \$ -               | \$ 54,968,986 |
| Due to the Central Bank and other banks                                  | -                | 8,044,340         | -                  | -                        | -                  | 8,044,340     |
| Nonderivative financial liabilities at fair value through profit or loss | -                | -                 | -                  | 523,330                  | 45,188,210         | 45,711,540    |
| Securities sold under repurchase agreements                              | 9,158,366        | 1,203,256         | 965,810            | -                        | -                  | 11,327,432    |
| Payables   | 20,940,060       | 995,627           | 395,298            | 427,341                  | 100,505            | 22,858,831    |
| Deposits and remittances   | 935,095,060      | 241,610,977       | 229,107,360        | 387,240,913              | 700,039,728        | 2,493,094,038 |
| Bank debentures  | -                | 1,300,000         | -                  | -                        | 32,670,000         | 33,970,000    |
| Lease liabilities  | 94,511           | 110,842           | 263,880            | 469,871                  | 2,284,405          | 3,223,509     |
| Other items of cash outflow on maturity                                  | 6,500,520        | 3,682,178         | 934,496            | 431,642                  | 53,005,256         | 64,554,092    |

| <b>March 31, 2020</b>  | <b>0-30 Days</b> | <b>31-90 Days</b> | <b>91-180 Days</b> | <b>181 Days - 1 Year</b> | <b>Over 1 Year</b> | <b>Total</b>  |
|--|------------------|-------------------|--------------------|--------------------------|--------------------|---------------|
| Deposits from the Central Bank and other banks                           | \$ 57,992,412    | \$ 20,830,337     | \$ 2,960,632       | \$ 989,177               | \$ -               | \$ 82,772,558 |
| Nonderivative financial liabilities at fair value through profit or loss | 52               | 351               | 833,206            | -                        | 47,374,432         | 48,208,041    |
| Securities sold under repurchase agreements                              | 6,923,984        | 713,316           | 1,592,516          | -                        | -                  | 9,229,816     |
| Payables   | 15,470,864       | 1,087,099         | 1,602,532          | 897,132                  | 3,984,673          | 23,042,300    |
| Deposits and remittances   | 795,764,315      | 169,235,455       | 193,349,589        | 329,433,671              | 638,356,937        | 2,126,139,967 |
| Bank debentures  | 1,100,000        | 800,000           | 2,700,000          | 1,800,000                | 32,670,000         | 39,070,000    |
| Lease liabilities  | 95,797           | 161,193           | 245,517            | 432,329                  | 2,194,367          | 3,129,203     |
| Other items of cash outflow on maturity                                  | 5,819,619        | 889,476           | 298,855            | 660,674                  | 40,960,645         | 48,629,269    |

E.SUN Bank and its subsidiaries assessed the maturity date of contracts to understand the basic elements of all derivative financial instruments shown in the consolidated balance sheets. The amounts used in the maturity analyses of derivative financial liabilities are based on contractual cash flows, so some may not correspond to the amounts shown in the consolidated balance sheets. The maturity analysis of derivative financial liabilities was as follows:

i. Derivative financial liabilities to be settled at net amount

| <b>March 31, 2021</b>   | <b>0-30 Days</b> | <b>31-90 Days</b> | <b>91-180 Days</b> | <b>181 Days - 1 Year</b> | <b>Over 1 Year</b> | <b>Total</b> |
|---|------------------|-------------------|--------------------|--------------------------|--------------------|--------------|
| Derivative financial liabilities at fair value through profit or loss |                  |                   |                    |                          |                    |              |
| Currency derivatives  | \$ 35,580        | \$ 7              | \$ 30,867          | \$ 53,982                | \$ -               | \$ 120,436   |

| <b>December 31, 2020</b>  | <b>0-30 Days</b> | <b>31-90 Days</b> | <b>91-180 Days</b> | <b>181 Days - 1 Year</b> | <b>Over 1 Year</b> | <b>Total</b> |
|---|------------------|-------------------|--------------------|--------------------------|--------------------|--------------|
| Derivative financial liabilities at fair value through profit or loss |                  |                   |                    |                          |                    |              |
| Currency derivatives  | \$ 27,979        | \$ 2,732          | \$ -               | \$ 4,961                 | \$ -               | \$ 35,672    |

| <b>March 31, 2020</b>   | <b>0-30 Days</b> | <b>31-90 Days</b> | <b>91-180 Days</b> | <b>181 Days - 1 Year</b> | <b>Over 1 Year</b> | <b>Total</b> |
|---|------------------|-------------------|--------------------|--------------------------|--------------------|--------------|
| Derivative financial liabilities at fair value through profit or loss |                  |                   |                    |                          |                    |              |
| Currency derivatives  | \$ 309           | \$ 13,765         | \$ 2,205           | \$ -                     | \$ -               | \$ 16,279    |

ii. Derivative financial liabilities to be settled at gross amounts

| March 31, 2021  | 0-30 Days      | 31-90 Days     | 91-180 Days    | 181 Days - 1 Year | Over 1 Year  | Total          |
|---|----------------|----------------|----------------|-------------------|--------------|----------------|
| Derivative financial liabilities at fair value through profit or loss |                |                |                |                   |              |                |
| Currency derivatives  |                |                |                |                   |              |                |
| Cash outflow  | \$ 162,887,010 | \$ 133,252,208 | \$ 136,183,699 | \$ 84,285,814     | \$ 5,685,005 | \$ 522,293,736 |
| Cash inflow   | 160,825,773    | 130,824,558    | 133,589,257    | 83,458,227        | 5,596,516    | 514,294,331    |
| Interest derivatives  |                |                |                |                   |              |                |
| Cash outflow  | 3,426,290      | 2,625,755      | 3,804,352      | 6,087,254         | 63,122,099   | 79,065,750     |
| Cash inflow   | 3,221,418      | 2,777,407      | 3,965,948      | 6,648,140         | 56,047,563   | 72,660,476     |
| Total cash outflow  | 166,313,300    | 135,877,963    | 139,988,051    | 90,373,068        | 68,807,104   | 601,359,486    |
| Total cash inflow   | 164,047,191    | 133,601,965    | 137,555,205    | 90,106,367        | 61,644,079   | 586,954,807    |
| Net cash outflow  | \$ 2,266,109   | \$ 2,275,998   | \$ 2,432,846   | \$ 266,701        | \$ 7,163,025 | \$ 14,404,679  |

| December 31, 2020   | 0-30 Days      | 31-90 Days     | 91-180 Days   | 181 Days - 1 Year | Over 1 Year  | Total          |
|---|----------------|----------------|---------------|-------------------|--------------|----------------|
| Derivative financial liabilities at fair value through profit or loss |                |                |               |                   |              |                |
| Currency derivatives  |                |                |               |                   |              |                |
| Cash outflow  | \$ 195,008,911 | \$ 179,401,404 | \$ 99,626,302 | \$ 124,765,529    | \$ 7,882,964 | \$ 606,685,110 |
| Cash inflow   | 191,118,778    | 175,484,927    | 97,229,279    | 122,178,223       | 7,699,425    | 593,710,632    |
| Interest derivatives  |                |                |               |                   |              |                |
| Cash outflow  | 3,003,798      | 2,115,759      | 2,835,019     | 5,851,789         | 60,323,217   | 74,129,582     |
| Cash inflow   | 1,846,704      | 1,686,936      | 2,200,178     | 4,536,015         | 56,141,893   | 66,411,726     |
| Total cash outflow  | 198,012,709    | 181,517,163    | 102,461,321   | 130,617,318       | 68,206,181   | 680,814,692    |
| Total cash inflow   | 192,965,482    | 177,171,863    | 99,429,457    | 126,714,238       | 63,841,318   | 660,122,358    |
| Net cash outflow  | \$ 5,047,227   | \$ 4,345,300   | \$ 3,031,864  | \$ 3,903,080      | \$ 4,364,863 | \$ 20,692,334  |

| March 31, 2020  | 0-30 Days      | 31-90 Days     | 91-180 Days    | 181 Days - 1 Year | Over 1 Year     | Total           |
|---|----------------|----------------|----------------|-------------------|-----------------|-----------------|
| Derivative financial liabilities at fair value through profit or loss |                |                |                |                   |                 |                 |
| Currency derivatives  |                |                |                |                   |                 |                 |
| Cash outflow  | \$ 305,605,943 | \$ 257,913,352 | \$ 174,528,524 | \$ 135,988,827    | \$ 5,452,333    | \$ 879,488,979  |
| Cash inflow   | 306,326,059    | 258,713,839    | 174,772,265    | 135,963,723       | 5,474,091       | 881,249,977     |
| Interest derivatives  |                |                |                |                   |                 |                 |
| Cash outflow  | 3,393,041      | 1,416,469      | 1,241,211      | 1,021,056         | 20,207,928      | 27,279,705      |
| Cash inflow   | 3,237,562      | 1,662,473      | 1,161,691      | 1,607,856         | 48,915,328      | 56,584,910      |
| Total cash outflow  | 308,998,984    | 259,329,821    | 175,769,735    | 137,009,883       | 25,660,261      | 906,768,684     |
| Total cash inflow   | 309,563,621    | 260,376,312    | 175,933,956    | 137,571,579       | 54,389,419      | 937,834,887     |
| Net cash outflow (inflow)   | \$ (564,637)   | \$ (1,046,491) | \$ (164,221)   | \$ (561,696)      | \$ (28,729,158) | \$ (31,066,203) |

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

| March 31, 2021                          | 0-30 Days    | 31-90 Days | 91-180 Days  | 181 Days - 1 Year | Over 1 Year   | Total         |
|---|--------------|------------|--------------|-------------------|---------------|---------------|
| Irrevocable loan commitments issued     | \$ 1,104,216 | \$ 927,557 | \$ 3,622,291 | \$ 5,704,446      | \$ 36,275,020 | \$ 47,633,530 |
| Credit card commitments                 | 12,922       | 30,064     | 230,997      | 46,432            | 477,346,708   | 477,667,123   |
| Letters of credit issued and yet unused | 2,859,791    | 5,380,611  | 1,507,746    | 480,351           | 340,090       | 10,568,589    |
| Other guarantees                        | 4,340,626    | 5,940,241  | 3,638,160    | 14,370,166        | 5,270,491     | 33,559,684    |

| December 31, 2020                       | 0-30 Days  | 31-90 Days   | 91-180 Days  | 181 Days - 1 Year | Over 1 Year   | Total         |
|---|------------|--------------|--------------|-------------------|---------------|---------------|
| Irrevocable loan commitments issued     | \$ 443,893 | \$ 1,750,566 | \$ 1,701,169 | \$ 6,702,697      | \$ 34,271,321 | \$ 44,869,646 |
| Credit card commitments                 | 118,185    | 21,111       | 47,363       | 264,204           | 470,523,610   | 470,974,473   |
| Letters of credit issued and yet unused | 1,445,159  | 5,181,479    | 1,374,154    | 412,180           | 1,483         | 8,414,455     |
| Other guarantees                        | 4,320,472  | 6,792,798    | 2,412,244    | 14,241,758        | 5,594,172     | 33,361,444    |

| March 31, 2020                          | 0-30 Days  | 31-90 Days | 91-180 Days  | 181 Days - 1 Year | Over 1 Year   | Total         |
|---|------------|------------|--------------|-------------------|---------------|---------------|
| Irrevocable loan commitments issued     | \$ 146,888 | \$ 656,011 | \$ 2,619,335 | \$ 6,469,182      | \$ 34,402,674 | \$ 44,294,090 |
| Credit card commitments                 | 2,744,729  | 3,550,125  | 6,744,284    | 4,608,523         | 439,838,382   | 457,486,043   |
| Letters of credit issued and yet unused | 1,989,263  | 5,333,782  | 1,257,199    | 358,645           | 2,406,732     | 11,345,621    |
| Other guarantees                        | 5,104,653  | 4,929,349  | 2,341,103    | 10,335,065        | 6,407,408     | 29,117,578    |



j. Transfers of financial assets

Most of the transferred financial assets of the Company that are not derecognized in their entirety are securities sold under repurchase agreements. According to these transactions, the right on cash flow of the transferred financial assets would be transferred to other entities and the associated liabilities of the Company's obligation to repurchase the transferred financial assets at a fixed price in the future would be recognized. As the Company is restricted to use, sell or pledge the transferred financial assets throughout the term of transaction, and is still exposed to interest rate risks and credit risks on these instruments, the transferred financial assets are not derecognized in their entirety. The details of financial assets that were not derecognized in their entirety and the associated financial liabilities were as follows:

| <b>March 31, 2021</b>   |  |  |   |   |                                   |
|---|--|--|---|---|-----------------------------------|
| <b>Category of Financial Assets</b>   | <b>Carrying Amount of Transferred Financial Assets</b> | <b>Carrying Amount of Associated Financial Liabilities</b> | <b>Fair Value of Transferred Financial Assets</b> | <b>Fair Value of Associated Financial Liabilities</b> | <b>Fair Value of Net Position</b> |
| Investments in debt instruments at FVTOCI - securities sold under repurchase agreements | \$ 14,108,454  | \$ 13,178,554  | \$ 14,108,454                                     | \$ 13,178,554   | \$ 929,900                        |

| <b>December 31, 2020</b>  |  |  |   |   |                                   |
|---|--|--|---|---|-----------------------------------|
| <b>Category of Financial Assets</b>   | <b>Carrying Amount of Transferred Financial Assets</b> | <b>Carrying Amount of Associated Financial Liabilities</b> | <b>Fair Value of Transferred Financial Assets</b> | <b>Fair Value of Associated Financial Liabilities</b> | <b>Fair Value of Net Position</b> |
| Investments in debt instruments at FVTOCI - securities sold under repurchase agreements | \$ 12,153,396  | \$ 11,305,248  | \$ 12,153,396                                     | \$ 11,305,248   | \$ 848,148                        |

| <b>March 31, 2020</b>   |  |  |   |   |                                   |
|---|--|--|---|---|-----------------------------------|
| <b>Category of Financial Assets</b>   | <b>Carrying Amount of Transferred Financial Assets</b> | <b>Carrying Amount of Associated Financial Liabilities</b> | <b>Fair Value of Transferred Financial Assets</b> | <b>Fair Value of Associated Financial Liabilities</b> | <b>Fair Value of Net Position</b> |
| Investments in debt instruments at FVTOCI - securities sold under repurchase agreements         | \$ 8,745,239   | \$ 8,408,261   | \$ 8,745,239                                      | \$ 8,408,261  | \$ 336,978                        |
| Investments in debt instruments at amortized cost - securities sold under repurchase agreements | 846,173  | 809,609  | 870,551   | 809,609   | 60,942                            |

k. Offsetting financial assets and financial liabilities

The Company is eligible to present certain derivative assets and derivative liabilities on a net basis on the balance sheet since the offsetting criteria are met. Cash collateral has also been paid by part of counterparties for the net amount of the derivative assets and derivative liabilities. The cash collateral does not meet the offsetting criteria, but it can be set off against the net amount of the derivative assets and derivative liabilities in the case of default and insolvency or bankruptcy, in accordance with an associated collateral arrangement.

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

March 31, 2021

| Financial Assets  | Gross Amounts of Recognized Financial Assets | Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheet | Net Amounts of Financial Assets Presented in the Balance Sheet | Related Amounts Not Offset in the Balance Sheet |                          | Net Amounts         |
|-------------------|--|---|--|---|--------------------------|---------------------|
|                   |  |   |  | Financial Instruments                           | Cash Collateral Received |                     |
|                   |  |   |  |   |                          |                     |
| Derivatives       | \$ 19,424,521                                | \$ -  | \$ 19,424,521  | \$ (9,392,824)                                  | \$ (5,104,046)           | \$ 4,927,651        |
| Resell agreements | 3,482,050                                    | -   | 3,482,050  | (3,482,050)                                     | -                        | -                   |
| Settlements       | 54,410                                       | (48,842)  | 5,568  | -   | -                        | 5,568               |
|                   | <u>\$ 22,960,981</u>                         | <u>\$ (48,842)</u>  | <u>\$ 22,912,139</u>   | <u>\$ (12,874,874)</u>                          | <u>\$ (5,104,046)</u>    | <u>\$ 4,933,219</u> |

| Financial Liabilities | Gross Amounts of Recognized Financial Liabilities | Gross Amounts of Recognized Financial Assets Offset in the Balance Sheet | Net Amounts of Financial Liabilities Presented in the Balance Sheet | Related Amounts Not Offset in the Balance Sheet |                         | Net Amounts      |
|-----------------------|---|--|---|---|-------------------------|------------------|
|                       |   |  |   | Financial Instruments                           | Cash Collateral Pledged |                  |
|                       |   |  |   |   |                         |                  |
| Derivatives           | \$ 14,550,607                                     | \$ -   | \$ 14,550,607   | \$ (9,392,824)                                  | \$ (5,107,435)          | \$ 50,348        |
| Repurchase agreements | 13,184,789  | -  | 13,184,789  | (13,184,789)                                    | -                       | -                |
| Settlements           | 27,341  | (11,361)   | 15,980  | -   | -                       | 15,980           |
|                       | <u>\$ 27,762,737</u>                              | <u>\$ (11,361)</u>   | <u>\$ 27,751,376</u>  | <u>\$ (22,577,613)</u>                          | <u>\$ (5,107,435)</u>   | <u>\$ 66,328</u> |

December 31, 2020

| Financial Assets  | Gross Amounts of Recognized Financial Assets | Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheet | Net Amounts of Financial Assets Presented in the Balance Sheet | Related Amounts Not Offset in the Balance Sheet |                          | Net Amounts         |
|-------------------|--|---|--|---|--------------------------|---------------------|
|                   |  |   |  | Financial Instruments                           | Cash Collateral Received |                     |
|                   |  |   |  |   |                          |                     |
| Derivatives       | \$ 22,898,587                                | \$ -  | \$ 22,898,587  | \$ (10,465,309)                                 | \$ (5,892,275)           | \$ 6,541,003        |
| Resell agreements | 2,300,419                                    | -   | 2,300,419  | (2,300,419)                                     | -                        | -                   |
| Settlements       | 6,008  | (1,650)   | 4,358  | -   | -                        | 4,358               |
|                   | <u>\$ 25,205,014</u>                         | <u>\$ (1,650)</u>   | <u>\$ 25,203,364</u>   | <u>\$ (12,765,728)</u>                          | <u>\$ (5,892,275)</u>    | <u>\$ 6,545,361</u> |

| Financial Liabilities | Gross Amounts of Recognized Financial Liabilities | Gross Amounts of Recognized Financial Assets Offset in the Balance Sheet | Net Amounts of Financial Liabilities Presented in the Balance Sheet | Related Amounts Not Offset in the Balance Sheet |                         | Net Amounts         |
|-----------------------|---|--|---|---|-------------------------|---------------------|
|                       |   |  |   | Financial Instruments                           | Cash Collateral Pledged |                     |
|                       |   |  |   |   |                         |                     |
| Derivatives           | \$ 20,137,985                                     | \$ -   | \$ 20,137,985   | \$ (10,465,309)                                 | \$ (4,087,457)          | \$ 5,585,219        |
| Repurchase agreements | 11,308,940  | -  | 11,308,940  | (11,308,940)                                    | -                       | -                   |
| Settlements           | 52,814  | (29,010)   | 23,804  | -   | -                       | 23,804              |
|                       | <u>\$ 31,499,739</u>                              | <u>\$ (29,010)</u>   | <u>\$ 31,470,729</u>  | <u>\$ (21,774,249)</u>                          | <u>\$ (4,087,457)</u>   | <u>\$ 5,609,023</u> |

March 31, 2020

| Financial Assets  | Gross Amounts of Recognized Financial Assets | Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheet | Net Amounts of Financial Assets Presented in the Balance Sheet | Related Amounts Not Offset in the Balance Sheet |                          | Net Amounts          |
|-------------------|--|---|--|---|--------------------------|----------------------|
|                   |  |   |  | Financial Instruments                           | Cash Collateral Received |                      |
| Derivatives       | \$ 22,224,928                                | \$ -  | \$ 22,224,928  | \$ (11,442,456)                                 | \$ (3,897,140)           | \$ 6,885,332         |
| Resell agreements | 1,765,188                                    | -   | 1,765,188  | (1,765,188)                                     | -                        | -                    |
| Settlements       | <u>4,981,573</u>                             | <u>(18,091)</u>   | <u>4,963,482</u>   | <u>(202,996)</u>                                | <u>-</u>                 | <u>4,760,486</u>     |
|                   | <u>\$ 28,971,689</u>                         | <u>\$ (18,091)</u>  | <u>\$ 28,953,598</u>   | <u>\$ (13,410,640)</u>                          | <u>\$ (3,897,140)</u>    | <u>\$ 11,645,818</u> |

  

| Financial Liabilities | Gross Amounts of Recognized Financial Liabilities | Gross Amounts of Recognized Financial Assets Offset in the Balance Sheet | Net Amounts of Financial Liabilities Presented in the Balance Sheet | Related Amounts Not Offset in the Balance Sheet |                         | Net Amounts       |
|-----------------------|---|--|---|---|-------------------------|-------------------|
|                       |   |  |   | Financial Instruments                           | Cash Collateral Pledged |                   |
| Derivatives           | \$ 14,813,425                                     | \$ -   | \$ 14,813,425   | \$ (11,442,456)                                 | \$ (3,161,458)          | \$ 209,511        |
| Repurchase agreements | 9,223,012   | -  | 9,223,012   | (9,223,012)                                     | -                       | -                 |
| Settlements           | <u>204,816</u>                                    | <u>(1,761)</u>   | <u>203,055</u>  | <u>(202,996)</u>                                | <u>-</u>                | <u>59</u>         |
|                       | <u>\$ 24,241,253</u>                              | <u>\$ (1,761)</u>  | <u>\$ 24,239,492</u>  | <u>\$ (20,868,464)</u>                          | <u>\$ (3,161,458)</u>   | <u>\$ 209,570</u> |

**44. ALLOCATION OF REVENUE, COST AND EXPENSE RESULTING FROM INTERCOMPANY SHARING OF RESOURCES**

Under cooperation arrangements, E.SUN Bank and E.SUN Securities shared some equipment and operating sites; thus, related expenses were allocated as follows:

|   | E.SUN Bank   | E.SUN Securities | Total         | Allocation Method   |
|---|--------------|------------------|---------------|---|
| For the three months<br><u>ended March 31, 2021</u> |              |                  |               |   |
| Others  | <u>\$ 68</u> | <u>\$ 104</u>    | <u>\$ 172</u> | Utilities - 50% each<br>Building maintenance fee -<br>based on space actually<br>occupied |
| For the three months<br><u>ended March 31, 2020</u> |              |                  |               |   |
| Others  | <u>\$ 66</u> | <u>\$ 102</u>    | <u>\$ 168</u> | Utilities - 50% each<br>Building maintenance fee -<br>based on space actually<br>occupied |

The cross-selling transactions between E.SUN Bank and E.SUN Securities were as follows (the amounts below refer to E.SUN Bank):

|         | <b>For the Three Months Ended<br/>March 31</b> |                  |
|---------|--|------------------|
|         | <b>2021</b>                                    | <b>2020</b>      |
| Revenue | <u>\$ 1,717</u>                                | <u>\$ 986</u>    |
| Expense | <u>\$ 30,614</u>                               | <u>\$ 19,250</u> |

#### **45. CAPITAL MANAGEMENT**

ESFHC's objective of capital management is to sustain the eligible capital of the Group at an amount that meets the requirements for legal capital and minimum group capital adequacy ratio (CAR). To ensure that there is sufficient capital to undertake a variety of risks, ESFHC assesses the risk portfolios by their characteristics. The calculation of group eligible capital and minimum requirement of legal capital is in conformity with the rules enacted by the authorities.

Financial Management Division manages Group CAR. The Financial Management Division ensures that ESFHC's group CAR meets both its internal requirements and external requirements by the authorities, and the timely report to the authorities every half year. ESFHC has set up a warning signal mechanism that gives alarm when the CAR falls below the standard, and asks relevant units to bring up improvement strategies to deal with it.

Under the Financial Holding Company Act and related regulations, ESFHC should maintain a group CAR at no lower than 100%. If the ratio falls below 100%, the appropriation of earnings as cash dividends or other assets will be restricted, and the authorities may discipline ESFHC, depending on the situation.

The Banking Law and related regulations require that E.SUN Bank maintains both stand-alone and consolidated ratios of regulatory capital to risk-weighted assets (including ratio of the common equity to risk-weighted assets, ratio of Tier 1 capital to risk-weighted assets and capital adequacy ratio) should comply with the minimum ratio requested by authorities.

Under the rules governing securities firms and related regulations, the CAR of a securities firm should be at least 200% to ensure its stability as well as maintain the health of the security markets. If the ratio is below 200%, the authority may impose certain restrictions on a firm's operations.

**46. E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES' ASSET QUALITY, CONCENTRATION OF CREDIT EXTENSIONS, INTEREST RATE SENSITIVITY, PROFITABILITY AND MATURITY ANALYSIS OF ASSETS AND LIABILITIES**

a. E.SUN Bank's asset quality: Table 4 (attached).

b. E.SUN Bank's concentration of credit extensions

(In Thousands of New Taiwan Dollars, %)

| March 31, 2021   |  |  |  | March 31, 2020   |  |  |
|------------------|--|--|--|--|--|--|
| Rank<br>(Note 1) | Industry of Group Enterprise<br>(Note 2)   | Total Amount<br>of Credit<br>Endorsement or<br>Other<br>Transactions<br>(Note 3) | Percentage<br>of Current<br>Period's<br>Equity | Industry of Group Enterprise<br>(Note 2)   | Total Amount<br>of Credit<br>Endorsement or<br>Other<br>Transactions<br>(Note 3) | Percentage<br>of Current<br>Period's<br>Equity |
| 1                | Group A<br>Other activities auxiliary to<br>financial service activities not<br>elsewhere classified | \$ 10,306,435  | 5.65   | Group D<br>Air transport   | \$ 10,261,768  | 5.88   |
| 2                | Group B<br>Manufacture of other electronic<br>parts and components not<br>elsewhere classified       | 9,382,061  | 5.14   | Group B<br>Manufacture of other electronic<br>parts and components not<br>elsewhere classified       | 8,307,523  | 4.76   |
| 3                | Group C<br>Activities of head offices  | 8,318,222  | 4.56   | Group A<br>Other activities auxiliary to<br>financial service activities not<br>elsewhere classified | 8,258,662  | 4.73   |
| 4                | Group D<br>Air transport   | 7,979,116  | 4.37   | Group C<br>Activities of head offices  | 7,435,529  | 4.26   |
| 5                | Group E<br>Manufacture of computers  | 6,944,160  | 3.81   | Group E<br>Manufacture of computers  | 6,904,655  | 3.95   |
| 6                | Group F<br>Real estate development   | 5,940,801  | 3.26   | Group K<br>Manufacture of edible vegetable<br>and animal oils and fats                               | 5,608,954  | 3.21   |
| 7                | Group G<br>Real estate activities for sale<br>and rental with own leased<br>property                 | 5,754,210  | 3.15   | Group L<br>Manufacture of computers  | 4,766,974  | 2.73   |
| 8                | Group H<br>Manufacture of integrated<br>circuits   | 5,622,219  | 3.08   | Group M<br>Wired telecommunications<br>activities  | 4,222,273  | 2.42   |
| 9                | Group I<br>Manufacture of computers  | 5,490,292  | 3.01   | Group H<br>Manufacture of integrated<br>circuits   | 3,933,519  | 2.25   |
| 10               | Group J<br>Financial institution   | 5,083,444  | 2.79   | Group N<br>Wholesale of computers,<br>computer peripheral<br>equipment and software                  | 3,836,059  | 2.20   |

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

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

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

c. E.SUN Bank's interest rate sensitivity information

**Interest Rate Sensitivity (New Taiwan Dollars)**

(In Thousands of New Taiwan Dollars, %)

March 31, 2021

| Items  | 1 to 90 Days     | 91 to 180 Days | 181 Days to 1 Year | Over 1 Year    | Total            |
|--|------------------|----------------|--------------------|----------------|------------------|
| Interest rate-sensitive assets                         | \$ 1,727,875,384 | \$ 66,781,167  | \$ 94,973,427      | \$ 143,625,166 | \$ 2,033,255,144 |
| Interest rate-sensitive liabilities                    | 1,405,688,858    | 73,934,491     | 96,273,621         | 85,277,699     | 1,661,174,669    |
| Interest rate sensitivity gap                          | 322,186,526      | (7,153,324)    | (1,300,194)        | 58,347,467     | 372,080,475      |
| Net worth  |                  |                |                    |                | 169,680,971      |
| Ratio of interest rate-sensitive assets to liabilities |                  |                |                    |                | 122.40           |
| Ratio of interest rate sensitivity gap to net worth    |                  |                |                    |                | 219.28           |

March 31, 2020

| Items  | 1 to 90 Days     | 91 to 180 Days | 181 Days to 1 Year | Over 1 Year    | Total            |
|--|------------------|----------------|--------------------|----------------|------------------|
| Interest rate-sensitive assets                         | \$ 1,511,860,392 | \$ 34,322,575  | \$ 83,984,879      | \$ 101,888,522 | \$ 1,732,056,368 |
| Interest rate-sensitive liabilities                    | 375,819,145      | 864,256,584    | 73,674,733         | 75,950,345     | 1,389,700,807    |
| Interest rate sensitivity gap                          | 1,136,041,247    | (829,934,009)  | 10,310,146         | 25,938,177     | 342,355,561      |
| Net worth  |                  |                |                    |                | 152,193,735      |
| Ratio of interest rate-sensitive assets to liabilities |                  |                |                    |                | 124.64           |
| Ratio of interest rate sensitivity gap to net worth    |                  |                |                    |                | 224.95           |

Note 1: The above amounts included only New Taiwan dollar amounts held by the head office and branches of E.SUN Bank (i.e., excluding foreign currency).

Note 2: Interest rate-sensitive assets and liabilities refer to the revenues or costs of interest-earning assets and interest-bearing liabilities that were affected by interest rate changes.

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

Note 4: Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets ÷ Interest rate-sensitive liabilities (in New Taiwan dollars).

**Interest Rate Sensitivity (U.S. Dollars)**

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

March 31, 2021

| Items  | 1 to 90 Days  | 91 to 180 Days | 181 Days to 1 Year | Over 1 Year  | Total         |
|--|---------------|----------------|--------------------|--------------|---------------|
| Interest rate-sensitive assets                         | \$ 12,488,430 | \$ 722,734     | \$ 357,043         | \$ 2,889,000 | \$ 16,457,207 |
| Interest rate-sensitive liabilities                    | 18,855,735    | 4,562,601      | 2,857,188          | 1,682,463    | 27,957,987    |
| Interest rate sensitivity gap                          | (6,367,305)   | (3,839,867)    | (2,500,145)        | 1,206,537    | (11,500,780)  |
| Net worth  |               |                |                    |              | 137,983       |
| Ratio of interest rate-sensitive assets to liabilities |               |                |                    |              | 58.86         |
| Ratio of interest rate sensitivity gap to net worth    |               |                |                    |              | (8,334.93)    |

March 31, 2020

| Items  | 1 to 90 Days  | 91 to 180 Days | 181 Days to 1 Year | Over 1 Year  | Total         |
|--|---------------|----------------|--------------------|--------------|---------------|
| Interest rate-sensitive assets                         | \$ 14,052,562 | \$ 1,301,234   | \$ 405,684         | \$ 1,208,801 | \$ 16,968,281 |
| Interest rate-sensitive liabilities                    | 18,326,342    | 3,765,550      | 2,521,832          | 1,452,378    | 26,066,102    |
| Interest rate sensitivity gap                          | (4,273,780)   | (2,464,316)    | (2,116,148)        | (243,577)    | (9,097,821)   |
| Net worth  |               |                |                    |              | 136,930       |
| Ratio of interest rate-sensitive assets to liabilities |               |                |                    |              | 65.10         |
| Ratio of interest rate sensitivity gap to net worth    |               |                |                    |              | (6,644.14)    |

Note 1: The above amounts included only U.S. dollar amounts held by the head office, domestic branches, OBU and overseas branches of E.SUN Bank and excluded contingent assets and contingent liabilities.

Note 2: Interest rate-sensitive assets and liabilities refer to the revenues or costs of interest-earning assets and interest-bearing liabilities that were affected by interest rate changes.

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

Note 4: Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets ÷ Interest rate-sensitive liabilities (in U.S. dollars).

d. Profitability

1) E.SUN Financial Holding Company, Ltd. and subsidiaries

Unit: %

| Items                  |                   | March 31, 2021 | March 31, 2020 |
|------------------------|-------------------|----------------|----------------|
| Return on total assets | Before income tax | 0.85           | 0.88           |
|                        | After income tax  | 0.71           | 0.71           |
| Return on equity       | Before income tax | 13.52          | 12.78          |
|                        | After income tax  | 11.28          | 10.38          |
| Net income ratio       |                   | 38.01          | 32.53          |

2) E.SUN Financial Holding Company, Ltd.

Unit: %

| Items                  |                   | March 31, 2021 | March 31, 2020 |
|------------------------|-------------------|----------------|----------------|
| Return on total assets | Before income tax | 10.97          | 10.06          |
|                        | After income tax  | 10.83          | 9.87           |
| Return on equity       | Before income tax | 11.43          | 10.59          |
|                        | After income tax  | 11.29          | 10.39          |
| Net income ratio       |                   | 97.46          | 96.35          |

3) E.SUN Bank

Unit: %

| Items                  |                   | March 31, 2021 | March 31, 2020 |
|------------------------|-------------------|----------------|----------------|
| Return on total assets | Before income tax | 0.74           | 0.95           |
|                        | After income tax  | 0.62           | 0.81           |
| Return on equity       | Before income tax | 11.70          | 13.62          |
|                        | After income tax  | 9.82           | 11.66          |
| Net income ratio       |                   | 36.78          | 37.11          |

4) E.SUN Securities

Unit: %

| Items                  |                   | March 31, 2021 | March 31, 2020 |
|------------------------|-------------------|----------------|----------------|
| Return on total assets | Before income tax | 9.11           | 4.26           |
|                        | After income tax  | 7.61           | 3.14           |
| Return on equity       | Before income tax | 33.33          | 11.29          |
|                        | After income tax  | 27.86          | 8.33           |
| Net income ratio       |                   | 46.18          | 25.25          |

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

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

Note 3: Net income ratio = Income after income tax ÷ Total net revenues.

Note 4: Income before (after) income tax represents income from January to each period-end date.

Note 5: The above profitability ratios are calculated on the basis of annualized figures.

e. E.SUN Bank's maturity analysis of assets and liabilities

Maturity Analysis of Assets and Liabilities (New Taiwan Dollars)

(In Thousands of New Taiwan Dollars)

March 31, 2021

|                                  | Total            | Remaining Period to Maturity |                |                |                |                    |                  |
|----------------------------------|------------------|------------------------------|----------------|----------------|----------------|--------------------|------------------|
|                                  |                  | 0-10 Days                    | 11-30 Days     | 31-90 Days     | 91-180 Days    | 181 Days to 1 Year | Over 1 Year      |
| Main capital inflow on maturity  | \$ 2,450,355,159 | \$ 276,814,973               | \$ 267,118,361 | \$ 202,529,496 | \$ 141,747,422 | \$ 229,944,773     | \$ 1,332,200,134 |
| Main capital outflow on maturity | 2,863,649,122    | 117,038,740                  | 180,150,548    | 346,088,908    | 383,926,140    | 505,450,170        | 1,330,994,616    |
| Gap                              | (413,293,963)    | 159,776,233                  | 86,967,813     | (143,559,412)  | (242,178,718)  | (275,505,397)      | 1,205,518        |

March 31, 2020

|                                  | Total            | Remaining Period to Maturity |                |                |                |                    |                  |
|----------------------------------|------------------|------------------------------|----------------|----------------|----------------|--------------------|------------------|
|                                  |                  | 0-10 Days                    | 11-30 Days     | 31-90 Days     | 91-180 Days    | 181 Days to 1 Year | Over 1 Year      |
| Main capital inflow on maturity  | \$ 2,041,277,925 | \$ 308,154,069               | \$ 152,515,370 | \$ 136,646,819 | \$ 122,794,505 | \$ 184,141,834     | \$ 1,137,025,328 |
| Main capital outflow on maturity | 2,465,701,375    | 101,392,661                  | 130,995,895    | 294,297,604    | 295,783,465    | 387,134,455        | 1,256,097,295    |
| Gap                              | (424,423,450)    | 206,761,408                  | 21,519,475     | (157,650,785)  | (172,988,960)  | (202,992,621)      | (119,071,967)    |

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

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

(In Thousands of U.S. Dollars)

March 31, 2021

|                                  | Total         | Remaining Period to Maturity |              |              |                    |               |
|----------------------------------|---------------|------------------------------|--------------|--------------|--------------------|---------------|
|                                  |               | 0-30 Days                    | 31-90 Days   | 91-180 Days  | 181 Days to 1 Year | Over 1 Year   |
| Main capital inflow on maturity  | \$ 44,263,219 | \$ 11,746,235                | \$ 9,940,949 | \$ 6,212,579 | \$ 4,585,765       | \$ 11,777,691 |
| Main capital outflow on maturity | 51,973,949    | 11,753,368                   | 11,783,997   | 12,335,317   | 13,088,198         | 3,013,069     |
| Gap                              | (7,710,730)   | (7,133)                      | (1,843,048)  | (6,122,738)  | (8,502,433)        | 8,764,622     |

March 31, 2020

|                                  | Total         | Remaining Period to Maturity |              |              |                    |               |
|----------------------------------|---------------|------------------------------|--------------|--------------|--------------------|---------------|
|                                  |               | 0-30 Days                    | 31-90 Days   | 91-180 Days  | 181 Days to 1 Year | Over 1 Year   |
| Main capital inflow on maturity  | \$ 38,151,785 | \$ 11,135,265                | \$ 7,681,775 | \$ 5,600,027 | \$ 3,422,112       | \$ 10,312,606 |
| Main capital outflow on maturity | 41,980,172    | 11,891,169                   | 9,341,417    | 8,917,812    | 8,615,422          | 3,214,352     |
| Gap                              | (3,828,387)   | (755,904)                    | (1,659,642)  | (3,317,785)  | (5,193,310)        | 7,098,254     |

Note: The above amounts included only U.S. dollar amounts held by E.SUN Bank.



#### 47. E.SUN BANK'S TRUST BUSINESS UNDER THE TRUST LAW

- a. Trust-related items, as shown in the following balance sheet, statements of income and trust property list

The trust-related items shown below were managed by E.SUN Bank's Trust Department. However, these items were not included in the Company's consolidated financial statements.

**Balance Sheets of Trust Accounts**  
March 31, 2021, December 31, 2020 and March 31, 2020

| Trust Assets             | March 31, 2021        | December 31,<br>2020  | March 31, 2020        | Trust Liabilities                            | March 31, 2021        | December 31,<br>2020  | March 31, 2020        |
|--------------------------|-----------------------|-----------------------|-----------------------|--|-----------------------|-----------------------|-----------------------|
| Cash in banks            | \$ 5,147,603          | \$ 5,366,156          | \$ 5,814,359          | Accounts payable on administrative expense   | \$ 3                  | \$ 2                  | \$ -                  |
| Investments              | 285,554,987           | 270,827,820           | 231,041,252           | Accounts payable on securities under custody | 614,035,627           | 557,862,049           | 516,669,653           |
| Receivables              | 250                   | -                     | 250                   | Trust capital                                |                       |                       |                       |
| Real estate              | 3,583,527             | 3,578,841             | 2,644,847             | Cash   | 287,890,214           | 274,243,585           | 236,324,533           |
| Securities under custody | <u>614,035,627</u>    | <u>557,862,049</u>    | <u>516,669,653</u>    | Securities                                   | 3,305,928             | 2,535,035             | 1,899,777             |
|                          |                       |                       |                       | Real estate                                  | 3,213,153             | 3,198,696             | 2,251,921             |
|                          |                       |                       |                       | Reserves and accumulated deficit             | (4,450,215)           | (8,172,277)           | (3,103)               |
|                          |                       |                       |                       | Net income                                   | <u>4,327,284</u>      | <u>7,967,776</u>      | <u>(972,420)</u>      |
| Total assets             | <u>\$ 908,321,994</u> | <u>\$ 837,634,866</u> | <u>\$ 756,170,361</u> | Total liabilities                            | <u>\$ 908,321,994</u> | <u>\$ 837,634,866</u> | <u>\$ 756,170,361</u> |

**Trust Property List**  
March 31, 2021, December 31, 2020 and March 31, 2020

|  | March 31, 2021        | December 31,<br>2020  | March 31, 2020        |
|--|-----------------------|-----------------------|-----------------------|
| Cash in E.SUN Bank                         | \$ 5,146,008          | \$ 5,364,307          | \$ 5,807,721          |
| Cash in other banks                        | 1,595                 | 1,849                 | 6,638                 |
| Stocks                                     | 10,694,124            | 9,279,372             | 7,622,898             |
| Mutual funds                               | 236,561,556           | 227,981,262           | 193,205,902           |
| Bonds                                      | 25,072,248            | 24,215,511            | 22,875,804            |
| Structured products                        | 12,975,582            | 9,155,149             | 7,130,648             |
| Beneficial certificates pending settlement | 251,477               | 196,526               | 206,000               |
| Receivables                                | 250                   | -                     | 250                   |
| Real estate                                | 3,583,527             | 3,578,841             | 2,644,847             |
| Securities under custody                   | <u>614,035,627</u>    | <u>557,862,049</u>    | <u>516,669,653</u>    |
|  | <u>\$ 908,321,994</u> | <u>\$ 837,634,866</u> | <u>\$ 756,170,361</u> |

**Statements of Income on Trust Accounts**  
**For the Three Months Ended March 31, 2021 and 2020**

|   | <b>For the Three Months Ended<br/>March 31</b> |              |
|---|--|--------------|
|   | <b>2021</b>                                    | <b>2020</b>  |
| <u>Revenues</u>                         |  |              |
| Interest                                | \$ 3,086                                       | \$ 3,535     |
| Cash dividend                           | 2,887,725                                      | 2,544,891    |
| Realized capital gain - common stocks   | 395  | 2            |
| Unrealized capital gain - common stocks | 17,967   | 15,107       |
| Property gain                           | 2,741,367                                      | 1,117,809    |
| Realized capital gain - bonds           | 567,672  | 366,520      |
| Realized capital gain - mutual funds    | 321,819  | 135,941      |
| Revenues from beneficial certificates   | 9,315  | 1,429        |
| Revenues from rent for stocks           | 78   | 283          |
| Total revenues                          | 6,549,424                                      | 4,185,517    |
| <u>Expenses</u>                         |  |              |
| Management fees                         | 248,445  | 56,234       |
| Supervisor fees                         | -  | 15           |
| Service fees                            | 6  | 82           |
| Property loss                           | 1,962,401                                      | 4,904,139    |
| Income tax                              | 171  | 223          |
| Tax expenditures                        | 529  | -            |
| Other expenses                          | 5,882  | 2,261        |
| Realized capital loss - common stocks   | 20   | 12           |
| Realized capital loss - mutual funds    | 4,686  | 165,265      |
| Unrealized capital loss - common stocks | -  | 29,706       |
| Total expenses                          | 2,222,140                                      | 5,157,937    |
| Net income                              | \$ 4,327,284                                   | \$ (972,420) |

b. Nature of trust business operations under the Trust Law: Note 1.

#### 48. CASH FLOW INFORMATION

##### Changes in Liabilities Arising from Financing Activities

For the three months ended March 31, 2021

|  | Opening Balance       | Cash Inflows (Outflows) | New Leases        | Non-cash Changes<br>Fair Value Adjustments<br>(Including Changes in the Fair Value Attributable to Changes in the Credit Risk) | Others            | Closing Balance       |
|--|-----------------------|-------------------------|-------------------|--|-------------------|-----------------------|
| Due to the Central Bank and other banks  | \$ 8,044,340          | \$ 1,996,490            | \$ -              | \$ -   | \$ -              | \$ 10,040,830         |
| Short-term borrowings  | 868,371               | (181,352)               | -                 | -  | 640               | 687,659               |
| Commercial paper issued  | 3,257,632             | 1,665,823               | -                 | -  | (321)             | 4,923,134             |
| Bond payables  | 39,970,000            | (1,300,000)             | -                 | -  | -                 | 38,670,000            |
| Long-term borrowings   | 344,971               | -                       | -                 | -  | 254               | 345,225               |
| Financial liabilities designated as at fair value through profit or loss - bank debentures | 50,303,457            | -                       | -                 | (3,071,128)  | 562,981           | 47,795,310            |
| Guarantee deposits received  | 5,200,653             | (847,245)               | -                 | -  | -                 | 4,353,408             |
| Lease liabilities  | <u>3,275,399</u>      | <u>(284,600)</u>        | <u>232,805</u>    | <u>-</u>   | <u>882</u>        | <u>3,224,486</u>      |
|  | <u>\$ 111,264,823</u> | <u>\$ 1,049,116</u>     | <u>\$ 232,805</u> | <u>\$ (3,071,128)</u>  | <u>\$ 564,436</u> | <u>\$ 110,040,052</u> |

For the three months ended March 31, 2020

|  | Opening Balance      | Cash Inflows (Outflows) | New Leases        | Non-cash Changes<br>Fair Value Adjustments<br>(Including Changes in the Fair Value Attributable to Changes in the Credit Risk) | Others            | Closing Balance       |
|--|----------------------|-------------------------|-------------------|--|-------------------|-----------------------|
| Short-term borrowings  | \$ 20,000            | \$ 10,000               | \$ -              | \$ -   | \$ -              | \$ 30,000             |
| Commercial paper issued  | 3,681,576            | (1,204,853)             | -                 | -  | 851               | 2,477,574             |
| Bond payables  | 38,070,000           | 7,000,000               | -                 | -  | -                 | 45,070,000            |
| Long-term borrowings   | 361,356              | 151,305                 | -                 | -  | 1,776             | 514,437               |
| Financial liabilities designated as at fair value through profit or loss - bank debentures | 48,974,699           | -                       | -                 | 4,103,607  | 780,859           | 53,859,165            |
| Guarantee deposits received  | 1,565,294            | 1,714,704               | -                 | -  | -                 | 3,279,998             |
| Lease liabilities  | <u>3,177,727</u>     | <u>(247,156)</u>        | <u>294,152</u>    | <u>-</u>   | <u>3,937</u>      | <u>3,228,660</u>      |
|  | <u>\$ 95,850,652</u> | <u>\$ 7,424,000</u>     | <u>\$ 294,152</u> | <u>\$ 4,103,607</u>  | <u>\$ 787,423</u> | <u>\$ 108,459,834</u> |

#### 49. ESFHC'S FINANCIAL STATEMENTS AND CONDENSED BALANCE SHEETS AND STATEMENTS OF COMPREHENSIVE INCOME OF SUBSIDIARIES

Please refer to Table 5 (attached).

#### 50. BUSINESS SEGMENT FINANCIAL INFORMATION

Please refer to Table 6 (attached).

## **51. FUTURES BROKERAGE AND DEALING BUSINESS RISK**

### **a. Futures brokerage business**

Customers have to deposit an initial margin at a percentage of the amount of transaction when entering into futures contracts with the futures department of E.SUN Securities. Customers' gains or losses result from the leverage on the margin deposits. For the protection of E.SUN Securities from harm arising from customers' huge losses, the margin accounts of customers are reevaluated daily on the basis of the market prices of the outstanding futures contracts. When the customers' margin accounts fall below an agreed level (the maintenance margin), E.SUN Securities will ask its customers to deposit additional margins immediately. If the customers fail to do so, E.SUN Securities settles their position by making offsets against their contracts.

### **b. Futures dealing business**

E.SUN Securities has to deposit an initial margin at a percentage of the amount of transaction when dealing with futures contracts. In addition, E.SUN Securities has to deposit an initial margin at a percentage of the amount of transaction when dealing with put option contracts. E.SUN Securities reevaluates daily the margin accounts on the basis of the market prices of the outstanding futures and option contracts. When the margin accounts fall below an agreed level (the maintenance margin), E.SUN Securities will deposit additional margins immediately or settle its position by making offsets against its contracts.

## **52. ADDITIONAL DISCLOSURES**

Following are additional disclosures for ESFHC and its investees:

### **a. Significant transactions and b. investees:**

- 1) Financing provided: ESFHC, E.SUN Bank, UCB and ESBC - not applicable; investee - none.
- 2) Endorsement/guarantee provided: ESFHC, E.SUN Bank, UCB and ESBC - not applicable; investee - none.
- 3) Marketable securities held: ESFHC, E.SUN Bank, UCB, ESBC and E.SUN Securities - not applicable; investee - Table 7 (attached).
- 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 10% of the paid-in capital (ESFHC, E.SUN Bank, UCB and ESBC disclosed its investments acquired or disposed of): E.SUN Securities - not applicable; ESFHC and investee - none.
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 10% of the paid-in capital: Table 8 (attached).
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 10% of the paid-in capital: None.
- 7) Financial asset securitization: None.
- 8) Allowance of service fees to related parties amounting to at least NT\$5 million: None.
- 9) Sale of nonperforming loans by subsidiaries: None.

- 10) Receivables from related parties amounting to at least NT\$300 million or 10% of the paid-in capital: Table 9 (attached).
  - 11) Related information and proportionate share in investees: Exempt from disclosure.
  - 12) Derivative transactions: Notes 8 and 43 to the consolidated financial statements.
  - 13) Other significant transactions that may affect the decisions of users of financial reports: None.
- c. Investment in Mainland China:
- The information on major operating items, paid-in capital, methods of investment, investment inflows and outflows, proportion of stockholdings, investment income or loss, book value at period-end, the remitted investment profits and the limit on the amount of investment in Mainland China is shown in Table 10 (attached).
- d. Business relationship and significant transactions among the parent company and subsidiaries: Table 11 (attached).
- e. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholders, the number of shares owned, and percentage of ownership of each shareholder - Table 12 (attached).

### **53. OPERATING SEGMENTS**

The information reported to the Company's chief operating decision makers for the assessment of segment performance focuses mainly on operation and profitability. The Company's reportable segments are as follows:

- a. Corporate banking unit, which handles corporate loans, foreign exchange business, and financial banking operations, etc.;
- b. Individual banking unit, which handles residential mortgage, unsecured personal loans (UPLs), wealth management, and credit cards;
- c. Overseas branches and subsidiaries, including overseas branches and subsidiaries' business; and
- d. Others, including other performance units except for the above operating segments.

The accounting policies of the reportable segments are the same as the Company's accounting policies described in Note 4. Segment profit is measured at income before income tax, and this measure is reported to the chief operating decision makers for the purposes of resource allocation and assessment of segment performance. The terms of transactions between segments are similar to those for third parties.

The revenues, expenses and related information of the Company's reportable segments were as follows:

(In Millions of New Taiwan Dollars)

|  | <b>For the Three Months Ended March 31, 2021</b> |                                    |   |                   |                 |
|--|--|------------------------------------|---|-------------------|-----------------|
|  | <b>Corporate<br/>Banking Unit</b>                | <b>Individual<br/>Banking Unit</b> | <b>Overseas<br/>Branches and<br/>Subsidiaries</b> | <b>Others</b>     | <b>Total</b>    |
| Net interest revenues<br>(expenses)  | <u>\$ 3,175</u>                                  | <u>\$ 4,228</u>                    | <u>\$ 1,215</u>                                   | <u>\$ (2,536)</u> | <u>\$ 6,082</u> |
| Total net revenues<br>(expenses)   | \$ 4,508   | \$ 8,171                           | \$ 1,606  | \$ (587)          | \$ 13,698       |
| Reversal of (provision<br>for) bad-debt<br>expenses and reversal<br>of (provision for)<br>losses on<br>commitments and<br>guarantees | (26)   | (48)                               | 88  | 343               | 357             |
| Operating expenses   | <u>(1,210)</u>                                   | <u>(5,333)</u>                     | <u>(647)</u>                                      | <u>(627)</u>      | <u>(7,817)</u>  |
| Income (loss) before<br>income tax   | <u>\$ 3,272</u>                                  | <u>\$ 2,790</u>                    | <u>\$ 1,047</u>                                   | <u>\$ (871)</u>   | <u>\$ 6,238</u> |
|  | <b>For the Three Months Ended March 31, 2020</b> |                                    |   |                   |                 |
|  | <b>Corporate<br/>Banking Unit</b>                | <b>Individual<br/>Banking Unit</b> | <b>Overseas<br/>Branches and<br/>Subsidiaries</b> | <b>Others</b>     | <b>Total</b>    |
| Net interest revenues<br>(expenses)  | <u>\$ 2,639</u>                                  | <u>\$ 3,770</u>                    | <u>\$ 1,259</u>                                   | <u>\$ (2,614)</u> | <u>\$ 5,054</u> |
| Total net revenues<br>(expenses)   | \$ 5,902   | \$ 6,688                           | \$ 2,210  | \$ (836)          | \$ 13,964       |
| Reversal of (provision<br>for) bad-debt<br>expenses and reversal<br>of (provision for)<br>losses on<br>commitments and<br>guarantees | 47   | (102)                              | (195)   | (97)              | (347)           |
| Operating expenses   | <u>(1,410)</u>                                   | <u>(3,814)</u>                     | <u>(625)</u>                                      | <u>(2,175)</u>    | <u>(8,024)</u>  |
| Income (loss) before<br>income tax   | <u>\$ 4,539</u>                                  | <u>\$ 2,772</u>                    | <u>\$ 1,390</u>                                   | <u>\$ (3,108)</u> | <u>\$ 5,593</u> |

**E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES**

**CONSOLIDATED ENTITIES**

**MARCH 31, 2021, DECEMBER 31, 2020 AND MARCH 31, 2020**

**Entities Included in the Consolidated Financial Statements**

| Investor Company                      | Investee Company                                 | Location       | Businesses and Products   | Percentage of Ownership (%) |                   |                | Note |
|---------------------------------------|--|----------------|---|-----------------------------|-------------------|----------------|------|
|                                       |  |                |   | March 31, 2021              | December 31, 2020 | March 31, 2020 |      |
| E.SUN Financial Holding Company, Ltd. | E.SUN Commercial Bank, Ltd.                      | Taipei         | Banking   | 100.00                      | 100.00            | 100.00         |      |
|                                       | E.SUN Securities Co., Ltd.                       | Taipei         | Underwriting, brokering, dealing securities and operating in brokerage of futures | 100.00                      | 100.00            | 100.00         |      |
|                                       | E.SUN Venture Capital Co., Ltd.                  | Taipei         | Investment  | 100.00                      | 100.00            | 100.00         |      |
| E.SUN Commercial Bank, Ltd.           | E.SUN Bank (China), Ltd.                         | Mainland China | Banking   | 100.00                      | 100.00            | 100.00         |      |
|                                       | BankPro E-Service Technology Co., Ltd.           | Taipei         | Information software  | 61.67                       | 61.67             | 61.67          |      |
| E.SUN Venture Capital Co., Ltd.       | BankPro E-Service Technology Co., Ltd.           | Taipei         | Information software  | 2.40                        | 2.40              | 2.40           |      |
| E.SUN Commercial Bank, Ltd.           | Union Commercial Bank PLC                        | Cambodia       | Banking   | 100.00                      | 100.00            | 100.00         |      |
| Union Commercial Bank PLC.            | URE Land Holding Co., Ltd.                       | Cambodia       | Real estate leasing and management  | 90.00                       | 90.00             | 90.00          | Note |
| E.SUN Securities Co., Ltd.            | E.SUN Securities Investment Consulting Co., Ltd. | Taipei         | Security consulting   | 100.00                      | 100.00            | 100.00         |      |

Note: Union Commercial Bank PLC. holds a 49% interest in URE Land Holding Co., Ltd. In the Articles of Incorporation of URE Land Holding Co., Ltd., Union Commercial Bank PLC. has power to control the composition of the board of directors and owns at least 90% of economic benefit of URE Land Holding Co., Ltd.; hence, URE Land Holding Co., Ltd. is deemed as a subsidiary of Union Commercial Bank PLC.

## E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

RELATED-PARTY TRANSACTIONS  
MARCH 31, 2021 AND 2020  
(In Thousands of New Taiwan Dollars)

## Loans

March 31, 2021

| Type                           | Account Volume or Name | Highest Balance for the Three Months Ended March 31, 2021 (Note) | Ending Balance | Loan Classification |                     | Collateral   | Differences in Terms of Transaction from Those for Unrelated Parties |
|--------------------------------|------------------------|--|----------------|---------------------|---------------------|--|--|
|                                |                        |  |                | Normal Loans        | Nonperforming Loans |  |  |
| Consumer loans                 | 101                    | \$ 40,972  | \$ 36,426      | \$ 36,426           | \$ -                | Land and buildings as collateral for part of the loans | None   |
| Self-used residential mortgage | 356                    | 2,354,276  | 2,192,708      | 2,192,708           | -                   | Land and buildings                                     | None   |
| Other loans                    | Others                 | 1,055,299  | 945,938        | 945,938             | -                   | Land, buildings and plant                              | None   |

March 31, 2020

| Type                           | Account Volume or Name | Highest Balance for the Three Months Ended March 31, 2020 (Note) | Ending Balance | Loan Classification |                     | Collateral   | Differences in Terms of Transaction from Those for Unrelated Parties |
|--------------------------------|------------------------|--|----------------|---------------------|---------------------|--|--|
|                                |                        |  |                | Normal Loans        | Nonperforming Loans |  |  |
| Consumer loans                 | 104                    | \$ 43,816  | \$ 38,768      | \$ 38,768           | \$ -                | Land and buildings as collateral for part of the loans | None   |
| Self-used residential mortgage | 315                    | 1,849,529  | 1,771,618      | 1,771,618           | -                   | Land and buildings                                     | None   |
| Other loans                    | Others                 | 1,007,218  | 887,296        | 887,296             | -                   | Land, buildings and plant                              | None   |

Note: The sum of the respective highest balances of each account for the three months ended March 31, 2021 and 2020.



## E.SUN COMMERCIAL BANK, LTD. AND SUBSIDIARIES

INFORMATION ON FOREIGN-CURRENCY FINANCIAL ASSETS AND LIABILITIES WITH SIGNIFICANT EFFECT  
MARCH 31, 2021, DECEMBER 31, 2020 AND MARCH 31, 2020  
(In Thousands)

|                              | March 31, 2021     |               |                    | December 31, 2020  |               |                    | March 31, 2020     |               |                    |
|------------------------------|--------------------|---------------|--------------------|--------------------|---------------|--------------------|--------------------|---------------|--------------------|
|                              | Foreign Currencies | Exchange Rate | New Taiwan Dollars | Foreign Currencies | Exchange Rate | New Taiwan Dollars | Foreign Currencies | Exchange Rate | New Taiwan Dollars |
| <u>Financial assets</u>      |                    |               |                    |                    |               |                    |                    |               |                    |
| Monetary items               |                    |               |                    |                    |               |                    |                    |               |                    |
| USD                          | \$ 19,094,099      | 28.5310       | \$ 544,773,739     | \$ 19,435,765      | 28.5100       | \$ 554,113,660     | \$ 19,617,334      | 30.2610       | \$ 593,640,144     |
| CNY                          | 18,893,132         | 4.3468        | 82,124,666         | 16,447,881         | 4.3858        | 72,137,116         | 16,274,727         | 4.2611        | 69,348,239         |
| AUD                          | 4,509,208          | 21.7140       | 97,912,943         | 4,834,027          | 21.9930       | 106,314,756        | 3,455,686          | 18.6630       | 64,493,468         |
| Non-monetary items           |                    |               |                    |                    |               |                    |                    |               |                    |
| USD                          | 390,749            | 28.5310       | 11,148,460         | 467,083            | 28.5100       | 13,316,536         | 340,766            | 30.2610       | 10,311,920         |
| CNY                          | 3,634,192          | 4.3468        | 15,797,106         | 2,839,989          | 4.3858        | 12,455,624         | 125,221            | 4.2611        | 533,579            |
| AUD                          | 2,326              | 21.7140       | 50,507             | 2,082              | 21.9930       | 45,789             | 20,647             | 18.6630       | 385,335            |
| <u>Financial liabilities</u> |                    |               |                    |                    |               |                    |                    |               |                    |
| Monetary items               |                    |               |                    |                    |               |                    |                    |               |                    |
| USD                          | 30,942,062         | 28.5310       | 882,807,971        | 32,606,578         | 28.5100       | 929,613,539        | 29,232,438         | 30.2610       | 884,602,806        |
| CNY                          | 28,333,814         | 4.3468        | 123,161,423        | 25,804,607         | 4.3858        | 113,173,845        | 21,280,979         | 4.2611        | 90,680,380         |
| AUD                          | 2,530,393          | 21.7140       | 54,944,954         | 2,724,312          | 21.9930       | 59,915,794         | 2,231,179          | 18.6630       | 41,640,494         |
| Non-monetary items           |                    |               |                    |                    |               |                    |                    |               |                    |
| USD                          | 213,493            | 28.5310       | 6,091,169          | 283,350            | 28.5100       | 8,078,309          | 358,753            | 30.2610       | 10,856,225         |
| CNY                          | 17,522             | 4.3468        | 76,165             | 43,473             | 4.3858        | 190,664            | 11,220             | 4.2611        | 47,810             |
| AUD                          | 539                | 21.7140       | 11,704             | 2,578              | 21.9930       | 56,698             | 9,579              | 18.6630       | 178,773            |

## E.SUN COMMERCIAL BANK, LTD.

ASSET QUALITY - NONPERFORMING LOANS AND RECEIVABLES  
MARCH 31, 2021 AND 2020  
(In Thousands of New Taiwan Dollars, %)

| Period   |                                   | March 31, 2021                     |                |   |                               |                         | March 31, 2020                     |                |   |                               |                         |        |
|--|-----------------------------------|------------------------------------|----------------|---|-------------------------------|-------------------------|------------------------------------|----------------|---|-------------------------------|-------------------------|--------|
|  |                                   | Nonperforming Loans (Note 1)       | Loans          | Ratio of Nonperforming Loans (Note 2)       | Allowance for Possible Losses | Coverage Ratio (Note 3) | Nonperforming Loans (Note 1)       | Loans          | Ratio of Nonperforming Loans (Note 2)       | Allowance for Possible Losses | Coverage Ratio (Note 3) |        |
| Corporate banking  | Secured                           | \$ 956,766                         | \$ 409,736,982 | 0.23  | \$ 4,556,917                  | 476.28                  | \$ 676,529                         | \$ 366,083,432 | 0.18  | \$ 4,031,288                  | 595.88                  |        |
|  | Unsecured                         | 736,499                            | 367,080,582    | 0.20  | 4,288,094                     | 582.23                  | 514,683                            | 368,229,794    | 0.14  | 4,186,069                     | 813.33                  |        |
| Consumer banking   | Residential mortgage (Note 4)     | 301,309                            | 453,795,597    | 0.07  | 6,589,396                     | 2,186.92                | 535,847                            | 388,041,071    | 0.14  | 5,606,669                     | 1046.32                 |        |
|  | Cash card                         | -                                  | 1,072          | -   | 219                           | -                       | 20                                 | 1,438          | 1.39  | 624                           | 3,120.00                |        |
|  | Small-scale credit loans (Note 5) | 732,101                            | 120,847,094    | 0.61  | 1,570,199                     | 214.48                  | 581,198                            | 110,388,037    | 0.53  | 1,295,841                     | 222.96                  |        |
|  | Other (Note 6)                    | Secured                            | 282,694        | 243,933,734                                 | 0.12                          | 2,519,559               | 891.27                             | 526,136        | 231,190,447                                 | 0.23                          | 2,349,618               | 446.58 |
|  |                                   | Unsecured                          | 214            | 1,868,060                                   | 0.01                          | 20,071                  | 9378.97                            | 7,433          | 1,989,926                                   | 0.37                          | 20,497                  | 275.76 |
| Loan   |                                   | 3,009,583                          | 1,597,263,121  | 0.19  | 19,544,455                    | 649.41                  | 2,841,846                          | 1,465,924,145  | 0.19  | 17,490,606                    | 615.47                  |        |
|  |                                   | Nonperforming Receivables (Note 1) | Receivables    | Ratio of Nonperforming Receivables (Note 2) | Allowance for Possible Losses | Coverage Ratio (Note 3) | Nonperforming Receivables (Note 1) | Receivables    | Ratio of Nonperforming Receivables (Note 2) | Allowance for Possible Losses | Coverage Ratio (Note 3) |        |
| Credit cards   |                                   | 113,671                            | 74,815,568     | 0.15  | 1,029,833                     | 905.98                  | 165,212                            | 72,944,028     | 0.23  | 991,998                       | 600.44                  |        |
| Accounts receivable factored without recourse (Note 7)   |                                   | -                                  | 9,485,868      | -   | 132,486                       | -                       | -                                  | 11,604,973     | -   | 150,682                       | -                       |        |
| Amounts of executed contracts on negotiated debts not reported as nonperforming loans (Note 8)       |                                   | 6,942                              |                |   |                               |                         | 9,187                              |                |   |                               |                         |        |
| Amounts of executed contracts on negotiated debts not reported as nonperforming receivables (Note 8) |                                   | 25,934                             |                |   |                               |                         | 40,255                             |                |   |                               |                         |        |
| Amounts of executed debt-restructuring projects not reported as nonperforming loans (Note 9)         |                                   | 1,224,066                          |                |   |                               |                         | 1,250,130                          |                |   |                               |                         |        |
| Amounts of executed debt-restructuring projects not reported as nonperforming receivables (Note 9)   |                                   | 1,669,768                          |                |   |                               |                         | 1,596,320                          |                |   |                               |                         |        |

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

Note 2: Ratio of nonperforming loans: Nonperforming loans ÷ Outstanding loans balance.  
Ratio of nonperforming receivables: Nonperforming receivables ÷ Outstanding receivables balance.

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

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

Note 5: Based on the Banking Bureau's letter dated December 19, 2005 (Ref. No. 09440010950), small-scale credit loans are unsecured, involve small amounts and exclude credit cards and cash cards.

Note 6: Other consumers' banking loans refer to secured or unsecured loans that exclude residential mortgage, cash cards, credit cards and small-scale credit loans.

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

Note 8: Amounts of executed contracts on negotiated debts that are not reported as nonperforming loans or receivables are reported in accordance with the Banking Bureau's letter dated April 25, 2006 (Ref. No. 09510001270).

Note 9: Amounts of executed debt-restructuring projects not reported as nonperforming loans or receivables are disclosed to the public in accordance with the Banking Bureau's letter dated September 15, 2008 (Ref. No. 09700318940) and September 20, 2016 (Ref. No. 10500134790).

## E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

ESFHC'S FINANCIAL STATEMENTS AND CONDENSED BALANCE SHEETS AND STATEMENTS OF COMPREHENSIVE INCOME OF SUBSIDIARIES  
MARCH 31, 2021, DECEMBER 31, 2020 AND MARCH 31, 2020

## 1. ESFHC's financial statements

## E.SUN Financial Holding Company, Ltd.

Balance Sheets  
(In Thousands of New Taiwan Dollars)

| Assets  | December 31,   |                |                | Liabilities and Equity  | December 31,   |                |                |
|---|----------------|----------------|----------------|-------------------------|----------------|----------------|----------------|
|   | March 31, 2021 | 2020           | March 31, 2020 |                         | March 31, 2021 | 2020           | March 31, 2020 |
| Cash and cash equivalents   | \$ 636,442     | \$ 766,453     | \$ 347,960     | Payables                | \$ 333,629     | \$ 778,508     | \$ 349,012     |
| Financial assets at fair value through other comprehensive income | 120,816        | 110,252        | 80,984         | Current tax liabilities | 1,574,399      | 683,804        | 2,738,377      |
| Receivables   | 104,055        | 107,992        | 141,060        | Corporate bonds payable | 6,000,000      | 6,000,000      | 6,000,000      |
| Current tax assets  | 1,249,652      | 422,597        | 2,144,553      | Provisions              | -              | -              | 7,421          |
| Investments under the equity method                               | 193,142,084    | 187,495,513    | 183,017,583    | Lease liabilities       | 157,259        | 158,164        | 160,858        |
| Property and equipment, net                                       | 7,054          | 7,819          | 10,888         | Total liabilities       | 8,065,287      | 7,620,476      | 9,255,668      |
| Right-of-use assets   | 154,600        | 155,789        | 159,356        | Equity                  |                |                |                |
| Intangible assets   | -              | -              | 838            | Capital stock           | 125,866,000    | 125,671,000    | 116,411,000    |
| Deferred tax assets   | 3,409          | 6,273          | 4,504          | Capital surplus         | 25,662,214     | 25,350,214     | 25,350,214     |
| Other assets  | 38,108         | 16,180         | 40,662         | Retained earnings       | 36,018,856     | 30,304,168     | 35,607,824     |
|   |                |                |                | Other equity            | (156,137)      | 143,010        | (676,318)      |
|   |                |                |                | Total equity            | 187,390,933    | 181,468,392    | 176,692,720    |
| Total   | \$ 195,456,220 | \$ 189,088,868 | \$ 185,948,388 | Total                   | \$ 195,456,220 | \$ 189,088,868 | \$ 185,948,388 |

(Continued)

**E.SUN Financial Holding Company, Ltd.**

**Statements of Comprehensive Income**  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

|   | <b>For the Three Months Ended</b> |                         |
|---|-----------------------------------|-------------------------|
|   | <b>March 31</b>                   |                         |
|   | <b>2021</b>                       | <b>2020</b>             |
| Revenues and gains  |                                   |                         |
| Share of profit of subsidiaries, associates and joint ventures<br>accounted for using equity method | \$ 5,289,843                      | \$ 5,148,098            |
| Other revenues and gains  | <u>65,032</u>                     | <u>16,835</u>           |
| Total revenues and gains  | <u>5,354,875</u>                  | <u>5,164,933</u>        |
| Expenses and losses   |                                   |                         |
| Share of loss of subsidiaries, associates and joint ventures<br>accounted for using equity method   | -                                 | 437,422                 |
| Operating expenses  | 69,207                            | 84,776                  |
| Other expenses and losses   | <u>14,682</u>                     | <u>14,697</u>           |
| Total expenses and losses   | <u>83,889</u>                     | <u>536,895</u>          |
| Income before income tax  | 5,270,986                         | 4,628,038               |
| Income tax expense  | <u>(66,404)</u>                   | <u>(87,455)</u>         |
| Net income for the period   | 5,204,582                         | 4,540,583               |
| Other comprehensive income (loss)   | <u>210,959</u>                    | <u>(1,506,264)</u>      |
| <br>Total comprehensive income  | <br><u>\$ 5,415,541</u>           | <br><u>\$ 3,034,319</u> |
| <br>Earnings per share (New Taiwan dollars)   |                                   |                         |
| Basic   | <u>\$0.41</u>                     | <u>\$0.36</u>           |
| Diluted   | <u>\$0.41</u>                     | <u>\$0.36</u>           |

(Continued)

E.SUN Financial Holding Company, Ltd.

Statements of Changes in Equity  
(In Thousands of New Taiwan Dollars)

|   | Capital Stock            |                       |                               | Retained Earnings    |                      |                   | Other Equity               |   |   | Total Equity        |  |
|---|--------------------------|-----------------------|-------------------------------|----------------------|----------------------|-------------------|----------------------------|---|---|---------------------|--|
|   | Shares<br>(In Thousands) | Common Stock          | Reserve for<br>Capitalization | Capital Surplus      | Legal Reserve        | Special Reserve   | Unappropriated<br>Earnings | Exchange<br>Differences on<br>the Translation<br>of Financial<br>Statements of<br>Foreign<br>Operations | Unrealized Gains<br>on Financial<br>Assets at Fair<br>Value Through<br>Other<br>Comprehensive<br>Income |                     | Changes in the<br>Fair Value<br>Attributable to<br>Changes in the<br>Credit Risk of<br>Financial<br>Liabilities<br>Designated as at<br>Fair Value<br>Through Profit<br>or Loss |
| BALANCE AT JANUARY 1, 2021  | 12,567,100               | \$ 125,671,000        | \$ -                          | \$ 25,350,214        | \$ 13,078,728        | \$ 164,235        | \$ 17,061,205              | \$ (2,089,399)  | \$ 2,883,479  | \$ (651,070)        | \$ 181,468,392   |
| Issuance of common stock from employees' compensation   | -                        | -                     | 195,000                       | 312,000              | -                    | -                 | -                          | -   | -   | -                   | 507,000  |
| Disposals of investments in equity instruments at fair value through other comprehensive income   | -                        | -                     | -                             | -                    | -                    | -                 | 510,206                    | -   | (510,206)   | -                   | -  |
| Net income for the three months ended March 31, 2021  | -                        | -                     | -                             | -                    | -                    | -                 | 5,204,582                  | -   | -   | -                   | 5,204,582  |
| Other comprehensive income (loss) for the three months ended March 31, 2021, net of income tax  | -                        | -                     | -                             | -                    | -                    | -                 | (100)                      | 62,585  | 67,800  | 80,674              | 210,959  |
| Total comprehensive income (loss) for the three months ended March 31, 2021   | -                        | -                     | -                             | -                    | -                    | -                 | 5,204,482                  | 62,585  | 67,800  | 80,674              | 5,415,541  |
| BALANCE AT MARCH 31, 2021   | <u>12,567,100</u>        | <u>\$ 125,671,000</u> | <u>\$ 195,000</u>             | <u>\$ 25,662,214</u> | <u>\$ 13,078,728</u> | <u>\$ 164,235</u> | <u>\$ 22,775,893</u>       | <u>\$ (2,026,814)</u>   | <u>\$ 2,441,073</u>   | <u>\$ (570,396)</u> | <u>\$ 187,390,933</u>  |
| BALANCE AT JANUARY 1, 2020  | 11,619,500               | \$ 116,195,000        | \$ -                          | \$ 24,965,734        | \$ 11,068,215        | \$ 164,235        | \$ 20,465,306              | \$ (1,316,413)  | \$ 1,569,189  | \$ (53,345)         | \$ 173,057,921   |
| Issuance of common stock from employees' compensation   | -                        | -                     | 216,000                       | 384,480              | -                    | -                 | -                          | -   | -   | -                   | 600,480  |
| Disposals of investments in equity instruments at fair value through other comprehensive income   | -                        | -                     | -                             | -                    | -                    | -                 | (630,582)                  | -   | 630,582   | -                   | -  |
| Transfer of changes in the fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss upon derecognition | -                        | -                     | -                             | -                    | -                    | -                 | 67                         | -   | -   | (67)                | -  |
| Net income for the three months ended March 31, 2020  | -                        | -                     | -                             | -                    | -                    | -                 | 4,540,583                  | -   | -   | -                   | 4,540,583  |
| Other comprehensive income (loss) for the three months ended March 31, 2020, net of income tax  | -                        | -                     | -                             | -                    | -                    | -                 | -                          | 17,918  | (1,301,284)   | (222,898)           | (1,506,264)  |
| Total comprehensive income (loss) for the three months ended March 31, 2020   | -                        | -                     | -                             | -                    | -                    | -                 | 4,540,583                  | 17,918  | (1,301,284)   | (222,898)           | 3,034,319  |
| BALANCE AT MARCH 31, 2020   | <u>11,619,500</u>        | <u>\$ 116,195,000</u> | <u>\$ 216,000</u>             | <u>\$ 25,350,214</u> | <u>\$ 11,068,215</u> | <u>\$ 164,235</u> | <u>\$ 24,375,374</u>       | <u>\$ (1,298,495)</u>   | <u>\$ 898,487</u>   | <u>\$ (276,310)</u> | <u>\$ 176,692,720</u>  |

(Continued)

**E.SUN Financial Holding Company, Ltd.**

**Statements of Cash Flows**  
**(In Thousands of New Taiwan Dollars)**

|   | <b>For the Three Months Ended</b> |                   |
|---|-----------------------------------|-------------------|
|   | <b>March 31</b>                   |                   |
|   | <b>2021</b>                       | <b>2020</b>       |
| Cash flows from operating activities  |                                   |                   |
| Income before income tax  | \$ 5,270,986                      | \$ 4,628,038      |
| Adjustments for:  |                                   |                   |
| Depreciation and amortization expenses  | 1,954                             | 3,705             |
| Interest expense  | 14,682                            | 14,697            |
| Salary expenses on share-based payments   | (7,262)                           | 2,741             |
| Share of profit of subsidiaries, associates and joint ventures<br>accounted for using equity method | (5,289,843)                       | (4,710,676)       |
| Net changes in operating assets and liabilities   |                                   |                   |
| Receivables   | 3,937                             | (16,831)          |
| Other assets  | (21,928)                          | (37,098)          |
| Payables  | (50,868)                          | 23,603            |
| Provision for employee benefits   | -                                 | (442)             |
| Cash used in operating activities   | <u>(78,342)</u>                   | <u>(92,263)</u>   |
| Interest paid   | <u>(50,100)</u>                   | <u>(50,099)</u>   |
| Net cash used in operating activities   | <u>(128,442)</u>                  | <u>(142,362)</u>  |
| Net cash used in financing activities   |                                   |                   |
| Repayments of the principal portion of lease liabilities  | <u>(1,569)</u>                    | <u>(1,570)</u>    |
| Net decrease in cash and cash equivalents   | (130,011)                         | (143,932)         |
| Cash and cash equivalents at the beginning of the period  | <u>766,453</u>                    | <u>491,892</u>    |
| Cash and cash equivalents at the end of the period  | <u>\$ 636,442</u>                 | <u>\$ 347,960</u> |

(Continued)

2. Subsidiaries' condensed balance sheets

**E.SUN Commercial Bank, Ltd.**

**Condensed Balance Sheets**  
**(In Thousands of New Taiwan Dollars)**

| <b>Assets</b>  | <b>March 31, 2021</b>   | <b>December 31,<br/>2020</b> | <b>March 31, 2020</b>   | <b>Liabilities and Equity</b>                              | <b>March 31, 2021</b>   | <b>December 31,<br/>2020</b> | <b>March 31, 2020</b>   |
|--|-------------------------|------------------------------|-------------------------|--|-------------------------|------------------------------|-------------------------|
| Cash and cash equivalents                                  | \$ 42,320,654           | \$ 48,738,895                | \$ 44,443,268           | <u>Liabilities</u>   |                         |                              |                         |
| Due from the Central Bank and call loans to other banks    | 94,398,699              | 113,766,540                  | 85,175,854              | Deposits from the Central Bank and other banks             | \$ 67,946,804           | \$ 49,650,698                | \$ 76,282,630           |
| Financial assets at fair value through profit or loss      | 653,030,802             | 710,861,278                  | 569,446,104             | Due to the Central Bank and other banks                    | 10,040,830              | 8,044,340                    | -                       |
| Financial assets at fair value through other comprehensive |                         |                              |                         | Financial liabilities at fair value through profit or loss | 62,271,056              | 70,250,867                   | 68,872,416              |
| Income   | 292,146,256             | 249,639,113                  | 205,289,442             | Securities sold under repurchase agreements                | 10,353,134              | 11,305,248                   | 8,408,261               |
| Investments in debt instruments at amortized cost          | 21,859,530              | 15,377,331                   | 12,737,232              | Payables   | 19,994,001              | 22,080,632                   | 22,212,774              |
| Securities purchased under resell agreements               | 3,481,813               | 2,300,196                    | 1,764,881               | Current tax liabilities                                    | 1,163,236               | 417,702                      | 2,484,136               |
| Receivables, net   | 92,852,945              | 100,552,105                  | 99,614,382              | Deposits and remittances                                   | 2,397,257,607           | 2,446,666,723                | 2,087,777,271           |
| Current tax assets   | 191,103                 | 254,992                      | 307,142                 | Bank debentures  | 32,670,000              | 33,970,000                   | 39,070,000              |
| Discounts and loans, net                                   | 1,577,692,044           | 1,582,840,048                | 1,448,306,696           | Other financial liabilities                                | 52,091,595              | 58,086,738                   | 45,705,223              |
| Investments under the equity method, net                   | 13,166,292              | 13,116,416                   | 13,075,723              | Provisions   | 845,269                 | 1,138,350                    | 687,310                 |
| Other financial assets, net                                | 2,638,080               | 3,538,640                    | 8,567,654               | Lease liabilities  | 2,607,951               | 2,624,186                    | 2,504,008               |
| Properties and equipment, net                              | 33,072,573              | 30,243,219                   | 30,074,089              | Deferred tax liabilities                                   | 1,237,613               | 1,402,754                    | 1,117,630               |
| Right-of-use assets, net                                   | 2,527,606               | 2,535,933                    | 2,474,851               | Other liabilities  | 2,958,128               | 3,124,723                    | 3,397,778               |
| Investment properties, net                                 | 480,774                 | 481,472                      | 483,524                 | Total liabilities  | <u>2,661,437,224</u>    | <u>2,708,762,961</u>         | <u>2,358,519,437</u>    |
| Intangible assets, net                                     | 4,911,743               | 4,902,754                    | 4,789,092               | <u>Equity</u>  |                         |                              |                         |
| Deferred tax assets  | 1,726,317               | 1,621,724                    | 1,306,383               | Capital stock  | 95,241,000              | 95,241,000                   | 90,481,000              |
| Other assets, net  | <u>7,354,186</u>        | <u>5,649,588</u>             | <u>5,329,311</u>        | Capital surplus  | 26,547,504              | 26,394,914                   | 26,015,331              |
|  |                         |                              |                         | Retained earnings  | 60,470,520              | 55,542,067                   | 58,543,014              |
|  |                         |                              |                         | Other equity   | 155,169                 | 479,302                      | (373,154)               |
|  |                         |                              |                         | Total equity   | <u>182,414,193</u>      | <u>177,657,283</u>           | <u>174,666,191</u>      |
| Total  | <u>\$ 2,843,851,417</u> | <u>\$ 2,886,420,244</u>      | <u>\$ 2,533,185,628</u> | Total  | <u>\$ 2,843,851,417</u> | <u>\$ 2,886,420,244</u>      | <u>\$ 2,533,185,628</u> |

(Continued)

**E.SUN Securities Co., Ltd.**

**Condensed Balance Sheets**  
(In Thousands of New Taiwan Dollars)

| <b>Assets</b>   | <b>March 31, 2021</b> | <b>December 31,<br/>2020</b> | <b>March 31, 2020</b> | <b>Liabilities and Equity</b> | <b>March 31, 2021</b> | <b>December 31,<br/>2020</b> | <b>March 31, 2020</b> |
|---|-----------------------|------------------------------|-----------------------|-------------------------------|-----------------------|------------------------------|-----------------------|
| Current assets  | \$ 18,253,768         | \$ 17,912,702                | \$ 9,753,921          | <u>Liabilities</u>            |                       |                              |                       |
| Financial assets at fair value through profit or loss             | 872,409               | 842,059                      | 893,044               | Current liabilities           | \$ 15,762,381         | \$ 15,743,108                | \$ 7,902,309          |
| Financial assets at fair value through other comprehensive income | 926,295               | 844,072                      | 580,970               | Noncurrent liabilities        | <u>131,397</u>        | <u>129,827</u>               | <u>157,652</u>        |
| Investments in debt instruments at amortized cost                 | 716,149               | 726,075                      | 894,691               | Total liabilities             | <u>15,893,778</u>     | <u>15,872,935</u>            | <u>8,059,961</u>      |
| Investments under the equity method                               | 58,598                | 58,242                       | 59,694                | <u>Equity</u>                 |                       |                              |                       |
| Properties and equipment  | 316,858               | 312,375                      | 329,092               | Capital stock                 | 4,000,000             | 4,000,000                    | 4,000,000             |
| Right-of-use assets   | 180,006               | 178,815                      | 206,510               | Capital surplus               | 107,290               | 103,687                      | 89,140                |
| Investment properties   | 13,050                | 13,108                       | 13,281                | Retained earnings             | 2,124,823             | 1,708,769                    | 1,340,637             |
| Intangible assets   | 35,473                | 41,487                       | 37,029                | Other equity                  | <u>(38,417)</u>       | <u>(60,413)</u>              | <u>(16,449)</u>       |
| Deferred tax assets   | 34,249                | 34,249                       | 37,230                | Total equity                  | <u>6,193,696</u>      | <u>5,752,043</u>             | <u>5,413,328</u>      |
| Other noncurrent assets   | <u>680,619</u>        | <u>661,794</u>               | <u>667,827</u>        |                               |                       |                              |                       |
| Total   | <u>\$ 22,087,474</u>  | <u>\$ 21,624,978</u>         | <u>\$ 13,473,289</u>  | Total                         | <u>\$ 22,087,474</u>  | <u>\$ 21,624,978</u>         | <u>\$ 13,473,289</u>  |

**E.SUN Venture Capital Co., Ltd.**

**Condensed Balance Sheets**  
(In Thousands of New Taiwan Dollars)

| <b>Assets</b>   | <b>March 31, 2021</b> | <b>December 31,<br/>2020</b> | <b>March 31, 2020</b> | <b>Liabilities and Equity</b> | <b>March 31, 2021</b> | <b>December 31,<br/>2020</b> | <b>March 31, 2020</b> |
|---|-----------------------|------------------------------|-----------------------|-------------------------------|-----------------------|------------------------------|-----------------------|
| Current assets  | \$ 226,845            | \$ 285,476                   | \$ 85,374             | <u>Liabilities</u>            |                       |                              |                       |
| Financial assets at fair value through profit or loss             | 4,194,494             | 3,681,696                    | 2,723,489             | Current liabilities           | \$ 30,245             | \$ 28,130                    | \$ 53,878             |
| Financial assets at fair value through other comprehensive income | 139,845               | 147,000                      | 170,147               | Noncurrent liabilities        | <u>31,742</u>         | <u>35,323</u>                | <u>25,147</u>         |
| Other financial assets  | 198                   | 212                          | 200                   | Total liabilities             | <u>61,987</u>         | <u>63,453</u>                | <u>79,025</u>         |
| Properties and equipment  | 22,836                | 23,009                       | 23,529                | <u>Equity</u>                 |                       |                              |                       |
| Right-of-use assets   | 4,125                 | 4,500                        | -                     | Capital stock                 | 3,300,000             | 3,300,000                    | 3,093,000             |
| Deferred tax assets   | 304                   | 414                          | 9,292                 | Capital surplus               | 81,082                | 80,942                       | 80,651                |
| Other noncurrent assets   | <u>232</u>            | <u>232</u>                   | <u>232</u>            | Retained earnings             | 1,524,006             | 1,069,186                    | 111,888               |
|   |                       |                              |                       | Other equity                  | <u>(378,196)</u>      | <u>(371,042)</u>             | <u>(352,301)</u>      |
|   |                       |                              |                       | Total equity                  | <u>4,526,892</u>      | <u>4,079,086</u>             | <u>2,933,238</u>      |
| Total   | <u>\$ 4,588,879</u>   | <u>\$ 4,142,539</u>          | <u>\$ 3,012,263</u>   | Total                         | <u>\$ 4,588,879</u>   | <u>\$ 4,142,539</u>          | <u>\$ 3,012,263</u>   |

(Continued)



3. Subsidiaries' condensed statements of comprehensive income

**E.SUN Commercial Bank, Ltd.**

**Condensed Statements of Comprehensive Income**  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

| Items   | For the Three Months Ended<br>March 31 |                     |
|---|--|---------------------|
|   | 2021                                   | 2020                |
| Interest revenue  | \$ 7,802,966                           | \$ 9,408,538        |
| Less: Interest expense  | <u>(2,203,555)</u>                     | <u>(4,807,753)</u>  |
| Net interest  | 5,599,411                              | 4,600,785           |
| Net revenues and gains other than interest  | <u>6,414,690</u>                       | <u>8,968,739</u>    |
| Total net revenues  | 12,014,101                             | 13,569,524          |
| Reversal of (provision for) bad-debt expenses and reversal of<br>(provision for) losses on commitments and guarantees | 323,850                                | (331,569)           |
| Operating expenses  | <u>(7,069,994)</u>                     | <u>(7,351,646)</u>  |
| Income before income tax  | 5,267,957                              | 5,886,309           |
| Income tax expense  | <u>(849,710)</u>                       | <u>(850,538)</u>    |
| Net income for the period   | 4,418,247                              | 5,035,771           |
| Other comprehensive income (loss)   | <u>186,073</u>                         | <u>(1,449,101)</u>  |
| Total comprehensive income  | <u>\$ 4,604,320</u>                    | <u>\$ 3,586,670</u> |
| Earnings per share  |  |                     |
| Basic   | <u>\$ 0.46</u>                         | <u>\$ 0.53</u>      |

**E.SUN Securities Co., Ltd.**

**Condensed Statements of Comprehensive Income**  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

| Items   | For the Three Months Ended<br>March 31 |                  |
|---|--|------------------|
|   | 2021                                   | 2020             |
| Income  | \$ 933,981                             | \$ 471,049       |
| Service charge  | (59,741)                               | (37,127)         |
| Employee benefit expenses   | (245,963)                              | (164,360)        |
| Share of profit of subsidiaries accounted for using equity method | 279                                    | (58)             |
| Operating expenses  | (159,688)                              | (133,597)        |
| Other profits and losses  | <u>28,834</u>                          | <u>15,635</u>    |
| Income before income tax  | 497,702                                | 151,542          |
| Income tax expense  | <u>(81,648)</u>                        | <u>(39,812)</u>  |
| Net income for the period   | 416,054                                | 111,730          |
| Other comprehensive income (loss)                                 | <u>21,996</u>                          | <u>(22,117)</u>  |
| Total comprehensive income  | <u>\$ 438,050</u>                      | <u>\$ 89,613</u> |
| Earnings per share  |  |                  |
| Basic   | <u>\$ 1.04</u>                         | <u>\$ 0.28</u>   |

(Continued)

**E.SUN Venture Capital Co., Ltd.**

**Condensed Statements of Comprehensive Income**  
**(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

| <b>Items</b>                      | <b>For the Three Months Ended</b> |                     |
|-----------------------------------|-----------------------------------|---------------------|
|                                   | <b>March 31</b>                   |                     |
|                                   | <b>2021</b>                       | <b>2020</b>         |
| Operating revenue                 | \$ 463,375                        | \$ 19,458           |
| Operating costs                   | -                                 | (465,268)           |
| Operating expenses                | <u>(6,362)</u>                    | <u>(4,447)</u>      |
| Operating income (loss)           | 457,013                           | (450,257)           |
| Non-operating income and expenses | <u>(667)</u>                      | <u>(270)</u>        |
| Income (loss) before income tax   | 456,346                           | (450,527)           |
| Income tax benefit (expense)      | <u>(1,426)</u>                    | <u>12,970</u>       |
| Net income (loss) for the period  | 454,920                           | (437,557)           |
| Other comprehensive income (loss) | <u>(7,254)</u>                    | <u>(35,430)</u>     |
| Total comprehensive income        | <u>\$ 447,666</u>                 | <u>\$ (472,987)</u> |
| Earnings (loss) per share         |                                   |                     |
| Basic                             | <u>\$ 1.38</u>                    | <u>\$ (1.33)</u>    |

(Concluded)

**TABLE 6****E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES****BUSINESS SEGMENT FINANCIAL INFORMATION  
FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020  
(In Thousands of New Taiwan Dollars)**

For the three months ended March 31, 2021

| <b>Business Segment</b>  | <b>Banking</b> | <b>Securities</b> | <b>Others</b> | <b>Consolidated</b> |
|--|----------------|-------------------|---------------|---------------------|
| <b>Items</b>   |                |                   |               |                     |
| Net interest revenues (expenses)   | \$ 6,002,357   | \$ 94,111         | \$ (14,052)   | \$ 6,082,416        |
| Net revenues and gains other than interest   | 6,377,878      | 774,766           | 462,519       | 7,615,163           |
| Total net revenues   | 12,380,235     | 868,877           | 448,467       | 13,697,579          |
| Reversal of bad-debt expenses and reversal of provision for losses on commitments and guarantees | 355,468        | 2,421             | -             | 357,889             |
| Operating expenses   | (7,411,879)    | (398,896)         | (6,255)       | (7,817,030)         |
| Income before income tax   | 5,323,824      | 472,402           | 442,212       | 6,238,438           |
| Income tax expense   | (882,117)      | (81,648)          | (67,912)      | (1,031,677)         |
| Net income   | 4,441,707      | 390,754           | 374,300       | 5,206,761           |

For the three months ended March 31, 2020

| <b>Business Segment</b>  | <b>Banking</b> | <b>Securities</b> | <b>Others</b> | <b>Consolidated</b> |
|--|----------------|-------------------|---------------|---------------------|
| <b>Items</b>   |                |                   |               |                     |
| Net interest revenues (expenses)   | \$ 4,993,451   | \$ 74,176         | \$ (14,046)   | \$ 5,053,581        |
| Net revenues and gains (losses) other than interest  | 9,009,400      | 346,439           | (445,934)     | 8,909,905           |
| Total net revenues (losses)  | 14,002,851     | 420,615           | (459,980)     | 13,963,486          |
| Reversal of (provision for) bad-debt expenses and reversal of (provision for) losses on commitments and guarantees | (354,032)      | 6,969             | -             | (347,063)           |
| Operating expenses   | (7,639,305)    | (294,129)         | (90,385)      | (8,023,819)         |
| Income (loss) before income tax  | 6,009,514      | 133,455           | (550,365)     | 5,592,604           |
| Income tax expense   | (935,633)      | (39,812)          | (74,470)      | (1,049,915)         |
| Net income (loss)  | 5,073,881      | 93,643            | (624,835)     | 4,542,689           |

## E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

## MARKETABLE SECURITIES HELD

MARCH 31, 2021

(In Thousands of New Taiwan Dollars)

| Holding Company Name            | Marketable Securities Type and Issuer/Name     | Relationship with the Holding Company | Financial Statement Account                           | March 31, 2021     |                |                         |                                 | Note |
|---------------------------------|--|---------------------------------------|---|--------------------|----------------|-------------------------|---------------------------------|------|
|                                 |  |                                       |   | Shares (Thousands) | Carrying Value | Percentage of Ownership | Market Value or Net Asset Value |      |
| E.SUN Venture Capital Co., Ltd. | <u>Stock</u>                                   |                                       |   |                    |                |                         |                                 |      |
|                                 | Eurocharm Holdings Co., Ltd.                   | -                                     | Financial assets at fair value through profit or loss | 199                | \$ 27,860      | 0.30                    | \$ 27,860                       |      |
|                                 | World known MFG (Cayman) Limited               | -                                     | Financial assets at fair value through profit or loss | 1,443              | 57,215         | 4.26                    | 57,215                          |      |
|                                 | Brighten Optix Co., Ltd.                       | -                                     | Financial assets at fair value through profit or loss | 100                | 26,800         | 0.41                    | 26,800                          |      |
|                                 | Asia Metal Industries, Inc.                    | -                                     | Financial assets at fair value through profit or loss | 273                | 16,216         | 1.30                    | 16,216                          |      |
|                                 | OBI Pharma, Inc.                               | -                                     | Financial assets at fair value through profit or loss | 167                | 24,994         | 0.08                    | 24,994                          |      |
|                                 | AMPACS Corporation                             | -                                     | Financial assets at fair value through profit or loss | 159                | 26,706         | 0.13                    | 26,706                          |      |
|                                 | Turvo International Co., Ltd.                  | -                                     | Financial assets at fair value through profit or loss | 477                | 47,973         | 0.79                    | 47,973                          |      |
|                                 | MOSA Industrial Corporation                    | -                                     | Financial assets at fair value through profit or loss | 748                | 29,023         | 0.41                    | 29,023                          |      |
|                                 | Chien Shing Harbour Service Co., Ltd.          | -                                     | Financial assets at fair value through profit or loss | 735                | 22,859         | 0.91                    | 22,859                          |      |
|                                 | Uniflex Technology Inc.                        | -                                     | Financial assets at fair value through profit or loss | 581                | 8,478          | 0.37                    | 8,478                           |      |
|                                 | Tanvex BioPharma Inc.                          | -                                     | Financial assets at fair value through profit or loss | 2,255              | 200,709        | 0.85                    | 200,709                         |      |
|                                 | Xu Yuan Packing Technology Co., Ltd.           | -                                     | Financial assets at fair value through profit or loss | 878                | 8,426          | 1.60                    | 8,426                           |      |
|                                 | Kham Inc.                                      | -                                     | Financial assets at fair value through profit or loss | 399                | 23,678         | 1.33                    | 23,678                          |      |
|                                 | TaiMed Biologics Co., Ltd.                     | -                                     | Financial assets at fair value through profit or loss | 424                | 32,945         | 0.17                    | 32,945                          |      |
|                                 | Ledlink Optics, Inc.                           | -                                     | Financial assets at fair value through profit or loss | 90                 | 2,506          | 0.19                    | 2,506                           |      |
|                                 | Oneness Biotech Co., Ltd.                      | -                                     | Financial assets at fair value through profit or loss | 994                | 263,014        | 0.26                    | 263,014                         |      |
|                                 | TBI Motion Technology Co., Ltd.                | -                                     | Financial assets at fair value through profit or loss | 364                | 21,403         | 0.39                    | 21,403                          |      |
|                                 | Enterex International Limited                  | -                                     | Financial assets at fair value through profit or loss | 453                | 1,087          | 0.41                    | 1,087                           |      |
|                                 | Fusheng Precision Co., Ltd.                    | -                                     | Financial assets at fair value through profit or loss | 394                | 89,241         | 0.30                    | 89,241                          |      |
|                                 | Amulaire Thermal Technology, Inc.              | -                                     | Financial assets at fair value through profit or loss | 103                | 6,232          | 0.12                    | 6,232                           |      |
|                                 | ShengHua Entertainment Communication Co., Ltd. | -                                     | Financial assets at fair value through profit or loss | 195                | 1,871          | 0.43                    | 1,871                           |      |
|                                 | Nan Pao Resins Chemical Co., Ltd.              | -                                     | Financial assets at fair value through profit or loss | 183                | 29,275         | 0.15                    | 29,275                          |      |
|                                 | Jason's Entertainment Co., Ltd.                | -                                     | Financial assets at fair value through profit or loss | 249                | 11,522         | 1.56                    | 11,522                          |      |
|                                 | Epoch Chemtronics Corp.                        | -                                     | Financial assets at fair value through profit or loss | 1,889              | 80,360         | 0.56                    | 80,360                          |      |
|                                 | Wieson Technologies Co., Ltd.                  | -                                     | Financial assets at fair value through profit or loss | 1,331              | 23,279         | 2.00                    | 23,279                          |      |
|                                 | Mutual-Tek Industries Co., Ltd.                | -                                     | Financial assets at fair value through profit or loss | 600                | 7,290          | 0.73                    | 7,290                           |      |
|                                 | Remotek Corporation                            | -                                     | Financial assets at fair value through profit or loss | 506                | 6,622          | 0.73                    | 6,622                           |      |
|                                 | 3D Global Biotech Inc.                         | -                                     | Financial assets at fair value through profit or loss | 1,894              | 95,098         | 3.51                    | 95,098                          |      |
|                                 | Taiwan Advanced Nanotech Inc.                  | -                                     | Financial assets at fair value through profit or loss | 1,452              | 441,074        | 6.87                    | 441,074                         |      |
|                                 | Tekho Marine Biotech Co., Ltd.                 | -                                     | Financial assets at fair value through profit or loss | 1,808              | 14,101         | 8.97                    | 14,101                          |      |
|                                 | CHO Pharma Inc.                                | -                                     | Financial assets at fair value through profit or loss | 7,224              | 257,324        | 3.93                    | 257,324                         |      |
|                                 | 9splay Entertainment Technology Co., Ltd.      | -                                     | Financial assets at fair value through profit or loss | 89                 | 2,622          | 0.32                    | 2,622                           |      |
|                                 | Evergreen Steel Corp.                          | -                                     | Financial assets at fair value through profit or loss | 1,000              | 60,520         | 0.25                    | 60,520                          |      |
|                                 | Twoway Communications Inc.                     | -                                     | Financial assets at fair value through profit or loss | 600                | 7,074          | 0.74                    | 7,074                           |      |
|                                 | Green World FinTech Service Co., Ltd.          | -                                     | Financial assets at fair value through profit or loss | 26                 | 10,209         | 0.20                    | 10,209                          |      |

(Continued)

| Holding Company Name | Marketable Securities Type and Issuer/Name        | Relationship with the Holding Company | Financial Statement Account                           | March 31, 2021     |                |                         |                                 | Note |
|----------------------|---|---------------------------------------|---|--------------------|----------------|-------------------------|---------------------------------|------|
|                      |   |                                       |   | Shares (Thousands) | Carrying Value | Percentage of Ownership | Market Value or Net Asset Value |      |
|                      | Gogoro Inc. (preferred stock)                     | -                                     | Financial assets at fair value through profit or loss | 1,429              | \$ 250,517     | 0.59                    | \$ 250,517                      |      |
|                      | Natural Polymer International Corporation         | -                                     | Financial assets at fair value through profit or loss | 591                | 16,701         | 2.36                    | 16,701                          |      |
|                      | VPON Ltd.   | -                                     | Financial assets at fair value through profit or loss | 1,186              | -              | 0.98                    | -                               |      |
|                      | TRANSOUND Electronics Co., Ltd.                   | -                                     | Financial assets at fair value through profit or loss | 1,200              | 24,129         | 3.13                    | 24,129                          |      |
|                      | BioResource International, Inc. (preferred stock) | -                                     | Financial assets at fair value through profit or loss | 815                | 41,928         | 4.93                    | 41,928                          |      |
|                      | AMARYLLO INC.                                     | -                                     | Financial assets at fair value through profit or loss | 290                | 2,784          | 1.98                    | 2,784                           |      |
|                      | IKALA Global Online Corp.                         | -                                     | Financial assets at fair value through profit or loss | 18,040             | 40,861         | 1.56                    | 40,861                          |      |
|                      | Acepodia, Inc.                                    | -                                     | Financial assets at fair value through profit or loss | 5,050              | 123,095        | 8.24                    | 123,095                         |      |
|                      | Arrowspan Inc.                                    | -                                     | Financial assets at fair value through profit or loss | 264                | -              | 1.36                    | -                               |      |
|                      | Ansun Biopharma, Inc.                             | -                                     | Financial assets at fair value through profit or loss | 673                | 32,099         | 0.18                    | 32,099                          |      |
|                      | Winking Entertainment Ltd.                        | -                                     | Financial assets at fair value through profit or loss | 2,935              | 23,683         | 5.02                    | 23,683                          |      |
|                      | Vpon Holding Inc.                                 | -                                     | Financial assets at fair value through profit or loss | 265                | 38,620         | 0.81                    | 38,620                          |      |
|                      | Solidlite Co., Ltd.                               | -                                     | Financial assets at fair value through profit or loss | 2,867              | 16,738         | 13.07                   | 16,738                          |      |
|                      | Suntek Precision Corp.                            | -                                     | Financial assets at fair value through profit or loss | 1,117              | -              | 2.93                    | -                               |      |
|                      | Exploit Technology Co., Ltd.                      | -                                     | Financial assets at fair value through profit or loss | 42                 | -              | 0.51                    | -                               |      |
|                      | King Point Enterprise Co., Ltd.                   | -                                     | Financial assets at fair value through profit or loss | 900                | 27,916         | 2.28                    | 27,916                          |      |
|                      | Orgchem Technologies Inc.                         | -                                     | Financial assets at fair value through profit or loss | 1,220              | 18,484         | 2.35                    | 18,484                          |      |
|                      | ACHB Enterprise Co., Ltd.                         | -                                     | Financial assets at fair value through profit or loss | 333                | 16,521         | 3.55                    | 16,521                          |      |
|                      | Sam Lam Technology Co., Ltd.                      | -                                     | Financial assets at fair value through profit or loss | 1,700              | -              | 6.07                    | -                               |      |
|                      | Pai Lung Machinery Mill Co., Ltd.                 | -                                     | Financial assets at fair value through profit or loss | 293                | -              | 0.77                    | -                               |      |
|                      | MontJade Engineering Co., Ltd.                    | -                                     | Financial assets at fair value through profit or loss | 1,000              | 16,612         | 4.55                    | 16,612                          |      |
|                      | ICP Technology Co., Ltd.                          | -                                     | Financial assets at fair value through profit or loss | 734                | 12,886         | 2.35                    | 12,886                          |      |
|                      | Robospark Technology Inc.                         | -                                     | Financial assets at fair value through profit or loss | 670                | -              | 2.72                    | -                               |      |
|                      | KHL II Venture Capital Co., Ltd.                  | -                                     | Financial assets at fair value through profit or loss | 5,000              | 53,293         | 5.00                    | 53,293                          |      |
|                      | KHL IV Venture Capital Co., Ltd.                  | -                                     | Financial assets at fair value through profit or loss | 9,500              | 96,457         | 2.86                    | 96,457                          |      |
|                      | Amaran Biotechnology, Inc.                        | -                                     | Financial assets at fair value through profit or loss | 378                | 10,776         | 0.47                    | 10,776                          |      |
|                      | Innovation & Infinity Global Corp.                | -                                     | Financial assets at fair value through profit or loss | 2,724              | -              | 2.75                    | -                               |      |
|                      | Starchips Technology Inc.                         | -                                     | Financial assets at fair value through profit or loss | 56                 | -              | 0.93                    | -                               |      |
|                      | Arclite Optronics Corporation                     | -                                     | Financial assets at fair value through profit or loss | 643                | -              | 8.25                    | -                               |      |
|                      | Mesotek Corporation                               | -                                     | Financial assets at fair value through profit or loss | 446                | -              | 3.62                    | -                               |      |
|                      | Applied Green Light Taiwan, Inc.                  | -                                     | Financial assets at fair value through profit or loss | 96                 | -              | 2.04                    | -                               |      |
|                      | Air-Bag Packing Co., Ltd.                         | -                                     | Financial assets at fair value through profit or loss | 1,000              | 7,778          | 4.00                    | 7,778                           |      |
|                      | Msscrops Co., Ltd.                                | -                                     | Financial assets at fair value through profit or loss | 1,260              | 77,363         | 3.21                    | 77,363                          |      |
|                      | Excetek Technologies Co., Ltd.                    | -                                     | Financial assets at fair value through profit or loss | 651                | 5,610          | 3.69                    | 5,610                           |      |
|                      | Advanced Material Systems Corporation             | -                                     | Financial assets at fair value through profit or loss | 1,164              | 17,122         | 4.20                    | 17,122                          |      |
|                      | Auria Solar Co., Ltd.                             | -                                     | Financial assets at fair value through profit or loss | 1,200              | -              | 0.57                    | -                               |      |
|                      | XPEC Art Center Inc.                              | -                                     | Financial assets at fair value through profit or loss | 48                 | 240            | 0.39                    | 240                             |      |
|                      | Fashionguide Co., Ltd.                            | -                                     | Financial assets at fair value through profit or loss | 324                | 6,033          | 1.93                    | 6,033                           |      |
|                      | Tapollop Technology Co., Ltd.                     | -                                     | Financial assets at fair value through profit or loss | 666                | -              | 8.67                    | -                               |      |
|                      | Prince Pharmaceutical Co., Ltd.                   | -                                     | Financial assets at fair value through profit or loss | 400                | 10,005         | 1.21                    | 10,005                          |      |
|                      | Shih Hsiang Auto Parts Co., Ltd.                  | -                                     | Financial assets at fair value through profit or loss | 500                | 34,000         | 2.03                    | 34,000                          |      |
|                      | KHL V Venture Capital Co., Ltd.                   | -                                     | Financial assets at fair value through profit or loss | 7,133              | 78,684         | 4.76                    | 78,684                          |      |
|                      | Kee Fresh & Safe Foodtech Co., Ltd.               | -                                     | Financial assets at fair value through profit or loss | 950                | 40,850         | 2.85                    | 40,850                          |      |
|                      | Taiwan Silicones Technology Co., Ltd.             | -                                     | Financial assets at fair value through profit or loss | 2,880              | 10,160         | 9.84                    | 10,160                          |      |
|                      | Vizionfocus Inc.                                  | -                                     | Financial assets at fair value through profit or loss | 3,500              | 132,473        | 7.00                    | 132,473                         |      |
|                      | AP Biosciences Inc.                               | -                                     | Financial assets at fair value through profit or loss | 500                | 27,500         | 2.05                    | 27,500                          |      |

(Continued)

| Holding Company Name | Marketable Securities Type and Issuer/Name | Relationship with the Holding Company | Financial Statement Account                           | March 31, 2021     |                |                         |                                 | Note |
|----------------------|--|---------------------------------------|---|--------------------|----------------|-------------------------|---------------------------------|------|
|                      |  |                                       |   | Shares (Thousands) | Carrying Value | Percentage of Ownership | Market Value or Net Asset Value |      |
|                      | Brim Biotechnology, Inc.                   | -                                     | Financial assets at fair value through profit or loss | 1,100              | \$ 17,927      | 1.87                    | \$ 17,927                       |      |
|                      | KHL Investment Advisors Ltd.               | -                                     | Financial assets at fair value through profit or loss | 5,239              | 146,038        | 5.95                    | 146,038                         |      |
|                      | Taishan Buffalo Investment Co., Ltd.       | -                                     | Financial assets at fair value through profit or loss | 100,000            | 86,365         | 2.15                    | 86,365                          |      |
|                      | Chuan Shih Industrial Co., Ltd.            | -                                     | Financial assets at fair value through profit or loss | 2,250              | -              | 5.79                    | -                               |      |
|                      | Tera Xtal Technology Co., Ltd.             | -                                     | Financial assets at fair value through profit or loss | 206                | -              | 0.11                    | -                               |      |
|                      | Vactronics Technologies Inc.               | -                                     | Financial assets at fair value through profit or loss | 2,433              | 43,040         | 4.88                    | 43,040                          |      |
|                      | Win Precision Technology Co., Ltd.         | -                                     | Financial assets at fair value through profit or loss | 1,122              | 51,260         | 2.47                    | 51,260                          |      |
|                      | VisEra Technologies Company Ltd.           | -                                     | Financial assets at fair value through profit or loss | 200                | 48,000         | 0.07                    | 48,000                          |      |
|                      | Obigen Pharma, Inc.                        | -                                     | Financial assets at fair value through profit or loss | 1,500              | 30,000         | 2.12                    | 30,000                          |      |
|                      | Caremed Supply Inc.                        | -                                     | Financial assets at fair value through profit or loss | 1,418              | 50,373         | 6.69                    | 50,373                          |      |
|                      | Huimin Environmental Tech Corporation      | -                                     | Financial assets at fair value through profit or loss | 1,000              | 30,000         | 3.14                    | 30,000                          |      |
|                      | Mercury Electronic Industrial Co., Ltd.    | -                                     | Investments in equity instruments at FVTOCI           | 3,000              | 26,275         | 12.18                   | 26,275                          |      |
|                      | Asia Carbons & Technology Inc.             | -                                     | Investments in equity instruments at FVTOCI           | -                  | -              | -                       | -                               |      |
|                      | Gama Pay Co., Ltd.                         | -                                     | Investments in equity instruments at FVTOCI           | 3,214              | 19,105         | 5.36                    | 19,105                          |      |
|                      | Crowningtek Inc.                           | -                                     | Investments in equity instruments at FVTOCI           | 1,140              | 513            | 9.12                    | 513                             |      |
|                      | Awin Diamond Technology Corporation        | -                                     | Investments in equity instruments at FVTOCI           | 1,500              | 15,264         | 14.72                   | 15,264                          |      |
|                      | Danotech Co., Ltd.                         | -                                     | Investments in equity instruments at FVTOCI           | 1,500              | 560            | 3.22                    | 560                             |      |
|                      | Procrystal Technology Company Limited      | -                                     | Investments in equity instruments at FVTOCI           | 3,360              | -              | 2.69                    | -                               |      |
|                      | Biodenta Corporation                       | -                                     | Investments in equity instruments at FVTOCI           | 6                  | -              | 0.06                    | -                               |      |
|                      | MCM Stamping Co., Ltd.                     | -                                     | Investments in equity instruments at FVTOCI           | 600                | -              | 1.90                    | -                               |      |
|                      | UUPON Inc.                                 | -                                     | Investments in equity instruments at FVTOCI           | 182                | 1,380          | 2.75                    | 1,380                           |      |
|                      | O'Pay Electronic Payment Co., Ltd.         | -                                     | Investments in equity instruments at FVTOCI           | 334                | 2,263          | 0.33                    | 2,263                           |      |
|                      | Pet Pharm Biotech Co., Ltd.                | -                                     | Investments in equity instruments at FVTOCI           | 314                | 1,144          | 2.02                    | 1,144                           |      |
|                      | Life + Co., Ltd.                           | -                                     | Investments in equity instruments at FVTOCI           | 2,975              | 5,992          | 9.02                    | 5,992                           |      |
|                      | Vision Application Tech Corp.              | -                                     | Investments in equity instruments at FVTOCI           | 782                | -              | 5.28                    | -                               |      |
|                      | Beyond Innovation Technology Co., Ltd.     | -                                     | Investments in equity instruments at FVTOCI           | 1,776              | 1,084          | 5.26                    | 1,084                           |      |
|                      | WeForce Co., Ltd.                          | -                                     | Investments in equity instruments at FVTOCI           | 158                | 1,498          | 0.89                    | 1,498                           |      |
|                      | Topray Mems Inc.                           | -                                     | Investments in equity instruments at FVTOCI           | 975                | 2,785          | 2.36                    | 2,785                           |      |
|                      | Fuho Technology Co., Ltd.                  | -                                     | Investments in equity instruments at FVTOCI           | 389                | 5,665          | 1.40                    | 5,665                           |      |
|                      | Celestial Talent Limited                   | -                                     | Investments in equity instruments at FVTOCI           | 1,457              | 50,248         | 2.42                    | 50,248                          |      |
|                      | Shanghai Vpon Ltd.                         | -                                     | Investments in equity instruments at FVTOCI           | 38,615             | -              | 8.93                    | -                               |      |
|                      | <u>Foreign fund</u>                        |                                       |   |                    |                |                         |                                 |      |
|                      | Delos Capital Fund                         | -                                     | Financial assets at fair value through profit or loss | 8,107              | 194,918        | 7.63                    | 194,918                         |      |
|                      | Delos Capital Fund 2                       | -                                     | Financial assets at fair value through profit or loss | 7,956              | 199,049        | 7.46                    | 199,049                         |      |

(Concluded)

## E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATES AT COSTS OF AT LEAST NT\$300 MILLION OR 10% OF THE PAID-IN CAPITAL  
FOR THE THREE MONTHS ENDED MARCH 31, 2021  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

| Name                        | Property  | Transaction Date                       | Transaction Amount            | Payment Term/<br>Payment Status                        | Counterparty                     | Nature of Relationship | Prior Transaction of Related Counterparty |              |               |        | Price Reference | Purpose of Acquisition                        | Other Terms |
|-----------------------------|---|--|-------------------------------|--|----------------------------------|------------------------|---|--------------|---------------|--------|-----------------|---|-------------|
|                             |   |  |                               |  |                                  |                        | Owner                                     | Relationship | Transfer Date | Amount |                 |   |             |
| Union Commercial Bank Plc.  | Construction of new building for the operation of UCB's head office             | 2014.12.18<br>2018.07.04<br>2019.06.06 | US\$ 25,027 thousand (Note 1) | US\$24,720 thousand has been paid as of March 31, 2021 | LBL International                | -                      | -   | -            | -             | \$ -   | Negotiation     | For the operation of UCB's head office        | None        |
| E.SUN Commercial Bank, Ltd. | Construction of new building for the operation in Kaohsiung                     | 2018.11.09<br>2019.11.28               | \$ 745,300 (Note 2)           | \$234,346 has been paid as of March 31, 2021           | Chun Yuan Construction Co., Ltd. | -                      | -   | -            | -             | -      | Tender          | For the operation of the branch of E.SUN Bank | None        |
|                             | Construction of new building for the head office of E.SUN Commercial Bank, Ltd. | 2018.11.09                             | 6,392,400                     | \$6,072,780 has been paid as of March 31, 2021         | Kindom Construction Corp.        | -                      | -   | -            | -             | -      | Appraisal       | For relocating the head office of E.SUN Bank  | None        |

Note 1: The initial transaction amount was US\$21,835 thousand and additional decoration amount of US\$3,192 thousand.

Note 2: The initial transaction amount was \$707,000 thousand and additional amount of \$38,300 thousand.

**E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$300 MILLION OR 10% OF THE PAID-IN CAPITAL**

**MARCH 31, 2021**

**(In Thousands of New Taiwan Dollars)**

| Company Name                          | Related Party               | Relationship | Ending Balance                  | Turnover Rate | Overdue |              | Amount Received in Subsequent Period | Allowance for Bad Debts |
|---------------------------------------|-----------------------------|--------------|---------------------------------|---------------|---------|--------------|--------------------------------------|-------------------------|
|                                       |                             |              |                                 |               | Amount  | Action Taken |                                      |                         |
| E.SUN Financial Holding Company, Ltd. | E.SUN Commercial Bank, Ltd. | Subsidiary   | \$ 1,095,479<br>(Notes 1 and 2) | -             | \$ -    | -            | \$ -                                 | \$ -                    |

Note 1: The receivables come from remuneration of directors and receivables related to consolidated tax returns.

Note 2: When preparing the consolidated financial statements, the receivables have been eliminated.



## E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

## INVESTMENT IN MAINLAND CHINA

FOR THE THREE MONTHS ENDED MARCH 31, 2021

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

## a. E.SUN Commercial Bank, Ltd.

| Investee Company Name   | Main Businesses and Products   | Total Amount of Paid-in Capital | Investment Type | Accumulated Outflow of Investment from Taiwan as of January 1, 2021 | Investment Flows |        | Accumulated Outflow of Investment from Taiwan as of March 31, 2021 | % Ownership of Direct or Indirect Investment | Investment Income | Carrying Value as of March 31, 2021 | Accumulated Inward Remittance of Earnings as of March 31, 2021 |
|-------------------------|--|---------------------------------|-----------------|---|------------------|--------|--|--|-------------------|-------------------------------------|--|
|                         |  |                                 |                 |   | Outflow          | Inflow |  |  |                   |                                     |  |
| E.SUN Bank (China) Ltd. | Deposits, loans, import and export, exchange and foreign exchange business | \$ 9,758,742<br>(Note 1)        | Direct          | \$ 9,758,742  | \$ -             | \$ -   | \$ 9,758,742<br>(Note 1)   | 100  | \$ 11,974         | \$ 8,887,317                        | \$ -   |

| Accumulated Investment in Mainland China as of March 31, 2021 | Investment Amount Approved by the Investment Commission, MOEA | Maximum Investment Allowable (Note 2) |
|---|---|---------------------------------------|
| \$9,758,742<br>(Note 1)                                       | \$9,758,742<br>(Note 1)                                       | \$109,534,370                         |

(Continued)

b. E.SUN Venture Capital Co., Ltd.

| Investee Company Name                       | Main Businesses and Products   | Total Amount of Paid-in Capital | Investment Type   | Accumulated Outflow of Investment from Taiwan as of January 1, 2021 | Investment Flows |        | Accumulated Outflow of Investment from Taiwan as of March 31, 2021 | Investee Net Income (Loss) | % Ownership of Direct or Indirect Investment | Investment Income | Carrying Value as of March 31, 2021 | Accumulated Inward Remittance of Earnings as of March 31, 2021 |
|---|--|---------------------------------|---|---|------------------|--------|--|----------------------------|--|-------------------|-------------------------------------|--|
|   |  |                                 |   |   | Outflow          | Inflow |  |                            |  |                   |                                     |  |
| Transound Electronics (Dongguan) Co., Ltd.  | Innovation, R&D, manufacture and selling in new electronic components, and establish R&D institution   | \$ 225,808                      | Invest in Mainland China through the third-party company (Note 3) | \$ 30,000   | \$ -             | \$ -   | \$ 30,000 (Note 1)   | (Note 4)                   | 3.13   | \$ -              | (Note 5)                            | \$ -   |
| Shanghai Vpon Ltd.                          | Data analysis and developing software  | 202,264                         | Direct  | 38,615  | -                | -      | 38,615 (Note 1)  | (Note 4)                   | 8.93   | -                 | -                                   | -  |
| Sichuan Clover Biopharmaceuticals Co., Ltd. | Genetic engineering, medicine discovery and developing biotechnological reagent  | 574,749                         | Invest in Mainland China through the third-party company (Note 3) | 27,589  | 19,808           | -      | 47,397 (Note 1)  | (Note 4)                   | 0.59   | -                 | (Note 5)                            | -  |
| Shanghai Winking Entertainment Co., Ltd.    | Computer software development, design, production, transfer of own technology, sale of self-produced products, and to provide after-sales service and related technical consultation | 467,722                         | Invest in Mainland China through the third-party company (Note 3) | 23,683  | -                | -      | 23,683 (Note 1)  | (Note 4)                   | 5.02   | -                 | (Note 5)                            | -  |
| Eccogene (Shanghai) Co., Ltd.               | Providing innovative therapeutic solutions to address unmet medical needs globally, discovery and development of translational medicine in metabolic and immune-related diseases     | 25,010                          | Invest in Mainland China through the third-party company (Note 3) | 10,989  | -                | -      | 10,989 (Note 1)  | (Note 4)                   | 0.54   | -                 | (Note 5)                            | -  |

(Continued)

| <b>Accumulated Investment in Mainland China as of March 31, 2021</b> | <b>Investment Amount Approved by the Investment Commission, MOEA</b> | <b>Maximum Investment Allowable (Note 7)</b> |
|--|--|--|
| \$199,747,<br>(Note 1)   | \$201,685<br>(Note 1)  | \$2,716,135                                  |

Note 1: Translation into New Taiwan dollars at the spot rates on the dates of investment outflow from Taiwan.

Note 2: Based on the Investment Commission's "Regulation on the Examination of Investment or Technical Cooperation in Mainland China," investments are limited to the larger of 60% of E.SUN Bank's net asset value or 60% of E.SUN Bank's consolidated net asset value.

Note 3: The investments in mainland China through a third-party company

- a. Invested in Transound Electronics (Dongguan) Co., Ltd. through Transound Electronics Co., Ltd.
- b. Invested in Sichuan Clover Biopharmaceuticals Co., Ltd. through Delos Capital Fund II, LP.
- c. Invested in Shanghai Winking Entertainment Co., Ltd. through Winking Entertainment Ltd.
- d. Invested in Eccogene (Shanghai) Co., Ltd. through Delos Capital Fund II, LP.

Note 4: E.SUN Venture Capital Co., Ltd. has no significant influence over the investee and thus has no access to its financial information.

Note 5: The carrying amount of each investment at the period end was not available from the self-prepared financial statements of the third region company.

Note 6: E.SUN Venture Capital Co., Ltd. indirectly invested in World Known Precision Industry (Fuzhou) Co., Ltd. through the investment in World Known MFG (Cayman) Limited which has been listed on the Taiwan Stock Exchange on March 9, 2020; refer to its financial report for the information.

Note 7: Based on the Investment Commission's "Regulation on the Examination of Investment or Technical Cooperation in Mainland China," investments are limited to 60% of E.SUN Venture Capital Co., Ltd.'s net asset value.

(Concluded)

## E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

**BUSINESS RELATIONSHIP AND SIGNIFICANT TRANSACTIONS BETWEEN THE PARENT COMPANY AND SUBSIDIARIES  
FOR THE THREE MONTHS ENDED MARCH 31, 2021  
(In Thousands of New Taiwan Dollars)**

| No.<br>(Note 1) | Transaction Company                   | Counterparty                          | Transaction Flow<br>(Note 2) | Description of Transactions (Notes 3 and 5)             |            |               |  |
|-----------------|---------------------------------------|---------------------------------------|------------------------------|---|------------|---------------|--|
|                 |                                       |                                       |                              | Financial Statement Account                             | Amounts    | Trading Terms | Transaction Amount/Total Consolidated Net Revenue or Total Consolidated Assets (%) |
| 0               | E.SUN Financial Holding Company, Ltd. | E.SUN Commercial Bank, Ltd.           | a                            | Cash and cash equivalents                               | \$ 636,442 | Note 4        | 0.02   |
| 1               | E.SUN Commercial Bank, Ltd.           | E.SUN Financial Holding Company, Ltd. | b                            | Deposits and remittances                                | 636,442    | Note 4        | 0.02   |
| 0               | E.SUN Financial Holding Company, Ltd. | E.SUN Commercial Bank, Ltd.           | a                            | Receivable on consolidated tax returns                  | 1,008,479  | Note 4        | 0.03   |
| 1               | E.SUN Commercial Bank, Ltd.           | E.SUN Financial Holding Company, Ltd. | b                            | Payable on consolidated tax returns                     | 1,008,479  | Note 4        | 0.03   |
| 0               | E.SUN Financial Holding Company, Ltd. | E.SUN Securities Co., Ltd.            | a                            | Receivable on consolidated tax returns                  | 226,013    | Note 4        | 0.01   |
| 2               | E.SUN Securities Co., Ltd.            | E.SUN Financial Holding Company, Ltd. | b                            | Payable on consolidated tax returns                     | 226,013    | Note 4        | 0.01   |
| 0               | E.SUN Financial Holding Company, Ltd. | E.SUN Commercial Bank, Ltd.           | a                            | Payable on consolidated tax returns                     | 154,487    | Note 4        | 0.01   |
| 1               | E.SUN Commercial Bank, Ltd.           | E.SUN Financial Holding Company, Ltd. | b                            | Receivable on consolidated tax returns                  | 154,487    | Note 4        | 0.01   |
| 2               | E.SUN Securities Co., Ltd.            | E.SUN Commercial Bank, Ltd.           | c                            | Accounts receivable                                     | 153,354    | Note 4        | 0.01   |
| 1               | E.SUN Commercial Bank, Ltd.           | E.SUN Securities Co., Ltd.            | c                            | Accounts payable  | 153,354    | Note 4        | 0.01   |
| 2               | E.SUN Securities Co., Ltd.            | E.SUN Commercial Bank, Ltd.           | c                            | Cash and cash equivalents, other financial assets       | 1,165,990  | Note 4        | 0.04   |
| 1               | E.SUN Commercial Bank, Ltd.           | E.SUN Securities Co., Ltd.            | c                            | Deposits and remittances                                | 1,165,990  | Note 4        | 0.04   |
| 3               | E.SUN Venture Capital Co., Ltd.       | E.SUN Commercial Bank, Ltd.           | c                            | Cash and cash equivalents                               | 208,833    | Note 4        | 0.01   |
| 1               | E.SUN Commercial Bank, Ltd.           | E.SUN Venture Capital Co., Ltd.       | c                            | Deposits and remittances                                | 208,833    | Note 4        | 0.01   |
| 1               | E.SUN Commercial Bank, Ltd.           | Union Commercial Bank PLC.            | c                            | Discounts and loans                                     | 2,539,259  | Note 4        | 0.09   |
| 4               | Union Commercial Bank PLC.            | E.SUN Commercial Bank, Ltd.           | c                            | Other financial liabilities                             | 2,539,259  | Note 4        | 0.09   |
| 1               | E.SUN Commercial Bank, Ltd.           | E.SUN Bank (China), Ltd.              | c                            | Due from the Central Bank and call loans to other banks | 7,960,180  | Note 4        | 0.27   |
| 5               | E.SUN Bank (China), Ltd.              | E.SUN Commercial Bank, Ltd.           | c                            | Deposits from the Central Bank and other banks          | 7,960,180  | Note 4        | 0.27   |

(Continued)

Note 1: The parent company and subsidiaries are numbered as follows:

- a. Parent company: 0.
- b. Subsidiaries are numbered in an order starting from 1.

Note 2: Transaction flows are as follows:

- a. From parent company to subsidiary,
- b. From subsidiary to parent company, and
- c. Between subsidiaries.

Note 3: For calculating the percentages, asset or liability account is divided by the total consolidated assets and the revenue or expense account is divided by the total consolidated net revenue of the same period.

Note 4: The terms for the transactions between the transaction companies and related parties are similar to those for unrelated parties.

Note 5: Referring to transactions exceeding \$100,000 thousand.

(Concluded)

**E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES****INFORMATION ON MAJOR SHAREHOLDERS  
MARCH 31, 2021**

| <b>Name of Major Stockholder</b> | <b>Shareholding</b>     |                                    |
|----------------------------------|-------------------------|------------------------------------|
|                                  | <b>Number of Shares</b> | <b>Percentage of Ownership (%)</b> |
| None                             | -                       | -                                  |

Note 1: The information above of major shareholders is based on the data, calculated the registration and delivery of non-physical (including treasury stock) common stock and preferred stock at least 5% as of the last business day of each quarter by Taiwan Depository and Clearing Corp. (TDCC) There may be differences between the number of shares recorded in the consolidated financial statements and the registration number of non-physical shares due to different basis of preparation.

Note 2: Shares held in trust will be listed by each trustor who set up the trust account. As for the shareholders who own at least 10%, including self-owned shares and trusted shares that shareholders have the power to decide trust assets, shall file insider equity in accordance with regulations of securities and exchange. Please refer to Market Observation Post System (MOPS) for relevant filing data of insider equity.