

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

**Consolidated Financial Statements for the
Three Months Ended March 31, 2024 and 2023 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, 2024 and 2023, 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 material accounting policy information (collectively referred to as the consolidated financial statements). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, 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 the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by 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 Chen-Hsiu Yang and Kuan-Hao Lee.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 10, 2024

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the 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)

ASSETS	March 31, 2024		December 31, 2023		March 31, 2023	
	Amount	%	Amount	%	Amount	%
CASH AND CASH EQUIVALENTS (Note 6)	\$ 51,843,513	1	\$ 67,575,304	2	\$ 45,517,957	1
DUE FROM THE CENTRAL BANK AND CALL LOANS TO OTHER BANKS (Notes 7 and 41)	228,933,944	6	194,590,834	5	164,709,280	5
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 8 and 41)	314,525,611	9	251,426,462	7	321,304,338	9
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Notes 9, 15, 41 and 43)	378,933,973	10	360,384,015	10	356,093,805	11
INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST (Notes 10, 15, 41 and 43)	408,195,410	11	475,610,677	13	416,758,048	12
FINANCIAL ASSETS FOR HEDGING, NET (Note 11)	23,315	-	1,583	-	-	-
SECURITIES PURCHASED UNDER RESELL AGREEMENTS (Note 12)	10,169,328	-	8,097,297	-	99,749	-
RECEIVABLES, NET (Notes 13 and 40)	142,912,525	4	141,356,313	4	118,966,103	4
CURRENT TAX ASSETS (Note 4)	74,219	-	34,717	-	24,547	-
DISCOUNTS AND LOANS, NET (Notes 14, 40 and 41)	2,112,899,306	57	2,063,180,999	57	1,929,348,089	56
OTHER FINANCIAL ASSETS, NET (Note 16)	12,055,600	-	5,443,226	-	6,888,285	-
INVESTMENT PROPERTIES, NET (Note 17)	1,766,060	-	1,752,737	-	1,825,819	-
PROPERTIES AND EQUIPMENT, NET (Note 18)	34,508,888	1	34,665,848	1	34,597,628	1
RIGHT-OF-USE ASSETS, NET (Note 19)	7,291,171	-	7,342,717	-	7,090,132	-
INTANGIBLE ASSETS, NET (Note 20)	6,233,779	-	6,284,027	-	6,167,181	-
DEFERRED TAX ASSETS (Note 4)	3,223,724	-	3,204,981	-	3,347,303	-
OTHER ASSETS, NET (Notes 19 and 21)	<u>21,161,995</u>	<u>1</u>	<u>17,545,763</u>	<u>1</u>	<u>14,532,792</u>	<u>1</u>
TOTAL	<u>\$ 3,734,752,361</u>	<u>100</u>	<u>\$ 3,638,497,500</u>	<u>100</u>	<u>\$ 3,427,271,056</u>	<u>100</u>
LIABILITIES AND EQUITY						
DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS (Note 22)	\$ 51,021,707	1	\$ 45,468,695	1	\$ 65,890,134	2
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 8 and 27)	89,251,218	3	87,559,558	3	74,429,038	2
FINANCIAL LIABILITIES FOR HEDGING, NET (Note 11)	93,291	-	188,495	-	8,170	-
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS (Notes 9, 10 and 23)	22,553,062	1	24,678,722	1	15,065,933	1
COMMERCIAL PAPER ISSUED, NET (Note 24)	9,785,406	-	9,091,916	-	3,967,692	-
PAYABLES (Notes 25 and 40)	45,830,507	1	43,078,614	1	37,162,089	1
CURRENT TAX LIABILITIES (Note 4)	3,633,837	-	2,178,297	-	2,894,179	-
DEPOSITS AND REMITTANCES (Notes 26 and 40)	3,096,278,699	83	3,021,047,051	83	2,864,529,096	84
BONDS PAYABLE (Note 27)	45,850,000	1	48,250,000	2	45,750,000	1
OTHER BORROWINGS (Note 28)	363,497	-	382,216	-	2,810,317	-
PROVISIONS (Note 29)	1,105,026	-	1,104,884	-	1,077,955	-
OTHER FINANCIAL LIABILITIES (Notes 17 and 31)	111,833,043	3	108,218,914	3	98,826,188	3
LEASE LIABILITIES (Note 19)	4,553,675	-	4,617,337	-	4,228,114	-
DEFERRED TAX LIABILITIES (Note 4)	2,343,549	-	2,366,315	-	2,080,747	-
OTHER LIABILITIES (Note 32)	<u>4,632,687</u>	<u>-</u>	<u>3,842,639</u>	<u>-</u>	<u>3,668,006</u>	<u>-</u>
Total liabilities	<u>3,489,129,204</u>	<u>93</u>	<u>3,402,073,653</u>	<u>94</u>	<u>3,222,387,658</u>	<u>94</u>
EQUITY ATTRIBUTABLE TO OWNERS OF ESFHC						
Capital stock						
Common stock	156,640,000	4	156,640,000	4	142,751,000	4
Reserve for capitalization	180,000	-	-	-	179,000	-
Total capital stock	<u>156,820,000</u>	<u>4</u>	<u>156,640,000</u>	<u>4</u>	<u>142,930,000</u>	<u>4</u>
Capital surplus						
Additional paid-in capital from share issuance in excess of par value	31,706,913	1	31,418,013	1	22,963,340	1
From treasury stock transactions	3,382,484	-	3,382,484	-	3,382,484	-
Total capital surplus	<u>35,089,397</u>	<u>1</u>	<u>34,800,497</u>	<u>1</u>	<u>26,345,824</u>	<u>1</u>
Retained earnings						
Legal reserve	18,430,702	1	18,430,702	-	16,897,898	-
Special reserve	5,531,342	-	5,531,342	-	1,238,321	-
Unappropriated earnings	29,259,995	1	22,824,085	1	21,490,621	1
Total retained earnings	<u>53,222,039</u>	<u>2</u>	<u>46,786,129</u>	<u>1</u>	<u>39,626,840</u>	<u>1</u>
Other equity	312,078	-	(1,978,946)	-	(4,188,297)	-
Total equity attributable to owners of ESFHC	<u>245,443,514</u>	<u>7</u>	<u>236,247,680</u>	<u>6</u>	<u>204,714,367</u>	<u>6</u>
NON-CONTROLLING INTERESTS	<u>179,643</u>	<u>-</u>	<u>176,167</u>	<u>-</u>	<u>169,031</u>	<u>-</u>
Total equity	<u>245,623,157</u>	<u>7</u>	<u>236,423,847</u>	<u>6</u>	<u>204,883,398</u>	<u>6</u>
TOTAL	<u>\$ 3,734,752,361</u>	<u>100</u>	<u>\$ 3,638,497,500</u>	<u>100</u>	<u>\$ 3,427,271,056</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)

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
INTEREST REVENUE (Notes 33 and 40)	\$ 23,126,728	132	\$ 19,116,060	121
INTEREST EXPENSE (Notes 33 and 40)	<u>(15,305,303)</u>	<u>(87)</u>	<u>(12,491,728)</u>	<u>(79)</u>
NET INTEREST	<u>7,821,425</u>	<u>45</u>	<u>6,624,332</u>	<u>42</u>
NET REVENUES AND GAINS OTHER THAN INTEREST				
Service fee and commission income, net (Notes 34 and 40)	6,238,946	36	4,942,677	31
Gains on financial assets and liabilities at fair value through profit or loss (Notes 8 and 35)	2,630,280	15	4,036,410	26
Realized gains on financial assets at fair value through other comprehensive income (Note 9)	438,580	2	53,942	-
Foreign exchange gains, net	318,374	2	109,487	1
Reversal of impairment losses (impairment losses) on assets	(2,981)	-	3,362	-
Other noninterest gains, net	<u>41,905</u>	<u>-</u>	<u>30,000</u>	<u>-</u>
Total net revenues and gains other than interest	<u>9,665,104</u>	<u>55</u>	<u>9,175,878</u>	<u>58</u>
TOTAL NET REVENUES	<u>17,486,529</u>	<u>100</u>	<u>15,800,210</u>	<u>100</u>
REVERSAL OF (PROVISION FOR) BAD-DEBT EXPENSES AND REVERSAL OF (PROVISION FOR) LOSSES ON COMMITMENTS AND GUARANTEES (Note 14)	<u>(371,442)</u>	<u>(2)</u>	<u>1,884</u>	<u>-</u>
OPERATING EXPENSES (Notes 4, 18, 19, 20, 30, 36 and 40)				
Employee benefits	(4,029,395)	(23)	(3,619,188)	(23)
Depreciation and amortization	(948,429)	(6)	(953,628)	(6)
General and administrative	<u>(4,401,933)</u>	<u>(25)</u>	<u>(3,693,506)</u>	<u>(23)</u>
Total operating expenses	<u>(9,379,757)</u>	<u>(54)</u>	<u>(8,266,322)</u>	<u>(52)</u>
INCOME BEFORE INCOME TAX	7,735,330	44	7,535,772	48
INCOME TAX EXPENSE (Notes 4 and 37)	<u>(1,481,063)</u>	<u>(8)</u>	<u>(1,489,186)</u>	<u>(10)</u>
NET INCOME FOR THE PERIOD	<u>6,254,267</u>	<u>36</u>	<u>6,046,586</u>	<u>38</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)

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
(Notes 4 and 37)				
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	\$ 121,383	1	\$ (763,453)	(5)
Unrealized gains on investments in equity instruments at fair value through other comprehensive income	1,725,282	10	1,014,420	7
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>21,949</u>	-	<u>1,322</u>	-
Items that will not be reclassified subsequently to profit or loss, net of income tax	<u>1,868,614</u>	<u>11</u>	<u>252,289</u>	<u>2</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on the translation of financial statements of foreign operations	1,682,912	9	(435,626)	(3)
Unrealized gains (losses) on investments in debt instruments at fair value through other comprehensive income	(839,223)	(5)	1,635,166	10
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>(236,160)</u>	<u>(1)</u>	<u>(160,631)</u>	<u>(1)</u>
Items that may be reclassified subsequently to profit or loss, net of income tax	<u>607,529</u>	<u>3</u>	<u>1,038,909</u>	<u>6</u>
Other comprehensive income for the period, net of income tax	<u>2,476,143</u>	<u>14</u>	<u>1,291,198</u>	<u>8</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 8,730,410</u>	<u>50</u>	<u>\$ 7,337,784</u>	<u>46</u>
NET INCOME ATTRIBUTABLE TO:				
Owners of ESFHC	\$ 6,250,969	36	\$ 6,042,191	38
Non-controlling interests	<u>3,298</u>	-	<u>4,395</u>	-
	<u>\$ 6,254,267</u>	<u>36</u>	<u>\$ 6,046,586</u>	<u>38</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of ESFHC	\$ 8,726,934	50	\$ 7,333,431	46
Non-controlling interests	<u>3,476</u>	-	<u>4,353</u>	-
	<u>\$ 8,730,410</u>	<u>50</u>	<u>\$ 7,337,784</u>	<u>46</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)

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 38)				
Basic	<u>\$ 0.40</u>		<u>\$ 0.41</u>	
Diluted	<u>\$ 0.40</u>		<u>\$ 0.41</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)

	Equity Attributable to Owners of ESFHC							Other Equity			Non-controlling Interests (Note 39)	Total Equity
	Capital Stock (Note 39)			Capital Surplus (Note 39)	Retained Earnings (Notes 9, 37 and 39)			Exchange Differences on the Translation of Financial Statements of Foreign Operations	Unrealized Gains on Financial Assets at Fair Value Through Other Comprehensive Income (Notes 9 and 37)	Changes in the Fair Value Attributable to Changes in the Credit Risk of Financial Liabilities Designated as at Fair Value Through Profit or Loss		
	Shares (In Thousands)	Common Stock	Reserve for Capitalization		Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE AT JANUARY 1, 2024	15,664,000	\$ 156,640,000	\$ -	\$ 34,800,497	\$ 18,430,702	\$ 5,531,342	\$ 22,824,085	\$ (781,073)	\$ (4,178,073)	\$ 2,980,200	\$ 176,167	\$ 236,423,847
Issuance of common stock from employees' compensation	-	-	180,000	288,900	-	-	-	-	-	-	-	468,900
Disposals of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	184,944	-	(184,944)	-	-	-
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	-	-	-	-	-	-	(3)	-	-	3	-	-
Net income for the three months ended March 31, 2024	-	-	-	-	-	-	6,250,969	-	-	-	3,298	6,254,267
Other comprehensive income for the three months ended March 31, 2024, net of income tax	-	-	-	-	-	-	-	1,353,799	1,000,783	121,383	178	2,476,143
Total comprehensive income for the three months ended March 31, 2024	-	-	-	-	-	-	6,250,969	1,353,799	1,000,783	121,383	3,476	8,730,410
BALANCE AT MARCH 31, 2024	<u>15,664,000</u>	<u>\$ 156,640,000</u>	<u>\$ 180,000</u>	<u>\$ 35,089,397</u>	<u>\$ 18,430,702</u>	<u>\$ 5,531,342</u>	<u>\$ 29,259,995</u>	<u>\$ 572,726</u>	<u>\$ (3,362,234)</u>	<u>\$ 3,101,586</u>	<u>\$ 179,643</u>	<u>\$ 245,623,157</u>
BALANCE AT JANUARY 1, 2023	14,275,100	\$ 142,751,000	\$ -	\$ 26,070,164	\$ 16,897,898	\$ 1,238,321	\$ 15,336,000	\$ (385,903)	\$ (10,775,505)	\$ 5,794,301	\$ 164,678	\$ 197,090,954
Issuance of common stock from employees' compensation	-	-	179,000	275,660	-	-	-	-	-	-	-	454,660
Disposals of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	112,430	-	(112,430)	-	-	-
Net income for the three months ended March 31, 2023	-	-	-	-	-	-	6,042,191	-	-	-	4,395	6,046,586
Other comprehensive income (loss) for the three months ended March 31, 2023, net of income tax	-	-	-	-	-	-	-	(349,870)	2,404,563	(763,453)	(42)	1,291,198
Total comprehensive income (loss) for the three months ended March 31, 2023	-	-	-	-	-	-	6,042,191	(349,870)	2,404,563	(763,453)	4,353	7,337,784
BALANCE AT MARCH 31, 2023	<u>14,275,100</u>	<u>\$ 142,751,000</u>	<u>\$ 179,000</u>	<u>\$ 26,345,824</u>	<u>\$ 16,897,898</u>	<u>\$ 1,238,321</u>	<u>\$ 21,490,621</u>	<u>\$ (735,773)</u>	<u>\$ (8,483,372)</u>	<u>\$ 5,030,848</u>	<u>\$ 169,031</u>	<u>\$ 204,883,398</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)

	For the Three Months Ended March 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 7,735,330	\$ 7,535,772
Adjustments for:		
Depreciation expenses	792,538	780,931
Amortization expenses	155,891	172,697
Expected credit losses/bad-debt expenses	368,040	48,001
Gains on financial assets and liabilities at fair value through profit or loss	(2,630,280)	(4,036,410)
Interest expense	15,305,303	12,491,728
Interest revenue	(23,126,728)	(19,116,060)
Dividend income	(35,039)	(31,022)
Provision for losses on guarantees	6,383	(45,553)
Salary expenses on share-based payments	189,230	182,663
Losses (gains) on disposal of properties and equipment	1,526	(179)
Gains on disposal of investments	(403,541)	(22,920)
Others	19,197	2,396
Net changes in operating assets and liabilities		
Due from the Central Bank and call loans to other banks	(15,032,540)	(11,807,436)
Financial assets at fair value through profit or loss	(57,147,065)	16,194,145
Financial assets at fair value through other comprehensive income	(10,569,640)	(7,716,696)
Investments in debt instruments at amortized cost	70,093,709	(16,211,328)
Receivables	(1,098,628)	7,722,523
Discounts and loans	(49,526,866)	5,656,713
Other financial assets	(6,642,375)	(1,938,010)
Other assets	(1,608,959)	(577,420)
Deposits from the Central Bank and other banks	5,553,012	(6,624,300)
Financial liabilities at fair value through profit or loss	(5,039,783)	10,856,699
Securities sold under repurchase agreements	(2,125,660)	(3,429,362)
Payables	333,528	(2,940,044)
Deposits and remittances	75,231,648	(38,070,310)
Provision for employee benefits	38	44
Other financial liabilities	2,604,051	2,419,796
Other liabilities	789,547	(496,861)
Cash generated from (used in) operations	4,191,867	(48,999,803)
Interest received	22,896,395	19,268,228
Dividends received	33,011	74,493
Interest paid	(12,637,143)	(9,643,903)
Income tax paid	(366,033)	(408,487)
Net cash generated from (used in) operating activities	14,118,097	(39,709,472)

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E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for properties and equipment	\$ (298,038)	\$ (544,495)
Proceeds from disposal of properties and equipment	572	230
Increase in settlement fund	(1,835)	(507)
Decrease in settlement fund	1,700	7,555
Increase in refundable deposits	(1,974,687)	(246,339)
Payments for intangible assets	(26,399)	(51,237)
Payments for right-of-use assets	(91)	(1,418)
Increase in other assets	(890)	-
Net cash used in investing activities	<u>(2,299,668)</u>	<u>(836,211)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	(31,442)	(659,543)
Increase in commercial paper issued	695,000	2,230,000
Proceeds from issue of corporate bonds	3,800,000	-
Repayments of corporate bonds	(4,000,000)	-
Proceeds from issue of bank debentures	-	1,900,000
Repayments of bank debentures	(2,200,000)	-
Repayments of long-term borrowings	(2,246)	(2,174)
Increase in financial liabilities designated at fair value through profit or loss	1,425,051	-
Decrease in financial liabilities designated at fair value through profit or loss	(673,400)	-
Increase in guarantee deposits received	1,010,078	-
Decrease in guarantee deposits received	-	(2,930,789)
Repayments of the principal portion of lease liabilities	(342,821)	(336,584)
Net cash generated from (used in) financing activities	<u>(319,780)</u>	<u>200,910</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(5,847,839)</u>	<u>1,848,534</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,650,810	(38,496,239)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>125,338,864</u>	<u>115,750,099</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 130,989,674</u>	<u>\$ 77,253,860</u>

(Continued)

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

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

	<u>March 31</u>	
	<u>2024</u>	<u>2023</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, 2024 AND 2023		
Cash and cash equivalents in the consolidated balance sheets	\$ 51,843,513	\$ 45,517,957
Due from the Central Bank and call loans to other banks in accordance with the definition of cash and cash equivalents under IAS 7 “Statement of Cash Flows”	68,976,833	31,636,154
Securities purchased under resell agreements in accordance with the definition of cash and cash equivalents under IAS 7 “Statement of Cash Flows”	<u>10,169,328</u>	<u>99,749</u>
Cash and cash equivalents at the end of the period	<u>\$ 130,989,674</u>	<u>\$ 77,253,860</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, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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 Company Act and related regulations in the Republic of China (ROC). 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 Act of the ROC. The operations of E.SUN Bank's Trust Division consist of planning, managing and operating the trust business. These operations are regulated under the Banking Act and Trust Enterprise Act of the ROC. As of March 31, 2024, E.SUN Bank had 153 business department, an international banking department, a trust division, a credit card and payment division, an offshore banking unit (OBU), an insurance agent department, 9 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, 2024 and 2023, the average number of employees of the Company (ESBC, UCB and BankPro excluded) was 9,289 and 9,259, respectively. For the three months ended March 31, 2024 and 2023, the average number of employees of ESBC, UCB and BankPro was 999 and 1,026, respectively.

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

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 10, 2024, approved and authorized the consolidated financial statements for issue.

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

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

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

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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosures in Financial Statements"	January 1, 2027
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

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

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Company shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

IFRS 18 “Presentation and Disclosures in Financial Statements”

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

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

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 material accounting policies

Except for those described below, please refer to the consolidated financial statements as of December 31, 2023 for details of summary of the material accounting policy information.

1) Retirement 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) Income tax expense

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same material accounting judgments 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, 2023. Please refer to Note 5 to the consolidated financial statements as of December 31, 2023 for the details of material accounting judgments and key sources of estimation uncertainty.

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

6. CASH AND CASH EQUIVALENTS

	March 31, 2024	December 31, 2023	March 31, 2023
Cash on hand	\$ 15,055,808	\$ 17,607,946	\$ 15,228,832
Checks for clearing	6,403,771	6,805,152	3,797,345
Due from banks	30,397,770	42,914,463	26,138,313
Cash in transit	<u>9,300</u>	<u>270,000</u>	<u>381,293</u>
	51,866,649	67,597,561	45,545,783
Less: Allowance for possible losses	<u>(23,136)</u>	<u>(22,257)</u>	<u>(27,826)</u>
	<u>\$ 51,843,513</u>	<u>\$ 67,575,304</u>	<u>\$ 45,517,957</u>

Reconciliations of cash and cash equivalents between the consolidated statements of cash flows and the consolidated balance sheets as of March 31, 2024 and 2023 are shown in the consolidated statements of cash flows. Reconciliations as of December 31, 2023 are stated below.

	December 31, 2023
Cash and cash equivalents, ending balance in the consolidated balance sheets	\$ 67,575,304
Due from the Central Bank and call loans to other banks in accordance with the definition of cash and cash equivalents under IAS 7 "Statement of Cash Flows"	49,666,263
Securities purchased under resell agreements in accordance with the definition of cash and cash equivalents under IAS 7 "Statement of Cash Flows"	<u>8,097,297</u>
Cash and cash equivalents, ending balance in the consolidated statements of cash flows	<u>\$ 125,338,864</u>

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

	March 31, 2024	December 31, 2023	March 31, 2023
Deposit reserves - account A	\$ 42,505,651	\$ 40,906,923	\$ 36,542,188
Deposit reserves - account B	72,492,021	70,422,761	65,044,645
Reserves for deposits - foreign currency deposits	729,737	691,942	716,233
Due from the Central Bank - other	18,386,118	20,891,821	18,499,103
Deposit in the Central Bank - deposits of government agencies	3,754	4,523	4,758
Call loans to banks	<u>94,855,782</u>	<u>61,679,612</u>	<u>43,949,995</u>
	228,973,063	194,597,582	164,756,922
Less: Allowance for possible losses	<u>(39,119)</u>	<u>(6,748)</u>	<u>(47,642)</u>
	<u>\$ 228,933,944</u>	<u>\$ 194,590,834</u>	<u>\$ 164,709,280</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 41 for information relating to deposit reserves pledged as security.

8. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Financial assets mandatorily classified as at fair value through profit or loss</u>			
Negotiable certificates of deposit	\$ 4,013,868	\$ -	\$ 63,134,002
Commercial paper	120,124,136	105,526,417	83,317,166
Treasury bills	38,919,396	-	12,865,844
Corporate bonds	49,525,553	50,947,037	57,157,397
Bank debentures	45,443,079	45,796,700	46,871,522
Overseas bonds	189,916	901,099	8,470,789
Stocks	6,488,504	6,019,039	4,970,011
Mutual funds	616,957	584,509	546,129
Operating securities - dealing department	501,911	317,865	592,598
Fund beneficiary certificates	30,232	-	-
Operating securities - underwriting department	85,711	130,270	79,092
Currency swap contracts	22,874,240	19,802,619	18,883,618
Interest rate swap contracts	22,536,222	17,788,974	21,134,673
Currency option contracts	1,666,688	1,678,469	1,929,258
Forward contracts	723,512	910,312	522,273

(Continued)

	March 31, 2024	December 31, 2023	March 31, 2023
Futures exchange margins	\$ 316,083	\$ 307,772	\$ 310,051
Non-deliverable forward contracts	404,366	442,124	424,843
Cross-currency swap contracts	57,512	265,670	94,923
Metal commodity swap contracts	200	-	-
Credit default swap contracts	-	-	149
Interest rate option contracts	<u>7,525</u>	<u>7,586</u>	<u>-</u>
	<u>\$ 314,525,611</u>	<u>\$ 251,426,462</u>	<u>\$ 321,304,338</u>
<u>Held-for-trading financial liabilities</u>			
Currency swap contracts	\$ 16,083,113	\$ 22,164,098	\$ 12,570,632
Interest rate swap contracts	25,985,613	19,792,118	19,646,165
Currency option contracts	2,071,807	1,879,844	1,951,010
Forward contracts	647,868	690,296	432,499
Non-deliverable forward contracts	252,634	465,045	195,175
Cross-currency swap contracts	242,161	28,652	122,644
Credit default swap contracts	49,458	25,540	23,030
Metal commodity swap contracts	1,640	3,748	311
Interest rate option contracts	285,142	162,060	66,865
Security borrowing	<u>-</u>	<u>-</u>	<u>6,953</u>
	<u>45,619,436</u>	<u>45,211,401</u>	<u>35,015,284</u>
<u>Financial liabilities designated as at fair value through profit or loss</u>			
Bank debentures (Note 27)	<u>43,631,782</u>	<u>42,348,157</u>	<u>39,413,754</u>
	<u>\$ 89,251,218</u>	<u>\$ 87,559,558</u>	<u>\$ 74,429,038</u>

(Concluded)

Refer to Note 41 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, 2024, December 31, 2023 and March 31, 2023, 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, 2024, December 31, 2023 and March 31, 2023, respectively, were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Currency swap contracts	\$ 1,721,321,612	\$ 1,548,718,415	\$ 1,708,025,491
Interest rate swap contracts	891,431,191	887,648,081	839,129,311
Currency option contracts	469,091,170	326,771,132	320,875,794
Interest rate option contracts	15,640,120	16,615,060	15,000,000
Forward contracts	86,151,819	60,170,414	46,322,290
Non-deliverable forward contracts	29,914,964	30,948,830	42,888,159
Cross-currency swap contracts	14,724,250	11,418,828	15,526,359
Metal commodity swap contracts	38,446	66,426	13,101
Credit default swap contracts	3,260,790	3,233,300	3,197,900
Interest rate futures contracts	64,305	-	701,251
Commodity futures contracts	45,879	74,353	97,978
Stock index futures contract	67,935	106,507	22,252
Bond futures contracts	-	8,223	-

As of March 31, 2024, December 31, 2023 and March 31, 2023, the amounts of futures exchange margins receivable held by E.SUN Securities were \$207,610 thousand, \$182,154 thousand and \$211,211 thousand, respectively.

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2024	December 31, 2023	March 31, 2023
Investments in equity instruments at FVTOCI	\$ 24,188,320	\$ 18,035,378	\$ 15,876,404
Investments in debt instruments at FVTOCI	<u>354,745,653</u>	<u>342,348,637</u>	<u>340,217,401</u>
	<u>\$ 378,933,973</u>	<u>\$ 360,384,015</u>	<u>\$ 356,093,805</u>

a. Investments in equity instruments at FVTOCI

	March 31, 2024	December 31, 2023	March 31, 2023
Listed shares and emerging stocks	\$ 22,639,881	\$ 16,524,244	\$ 14,476,034
Unlisted shares	<u>1,548,439</u>	<u>1,511,134</u>	<u>1,400,370</u>
	<u>\$ 24,188,320</u>	<u>\$ 18,035,378</u>	<u>\$ 15,876,404</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, 2024 and 2023, the Company sold shares of stocks for \$959,406 thousand and \$1,683,554 thousand, respectively, for the return on investment positions and risk management. The related other equity - unrealized gains of \$184,944 thousand and \$112,430 thousand on financial assets at FVTOCI were transferred to retained earnings, respectively.

Dividend income of \$35,039 thousand and \$31,022 thousand were recognized in profit or loss for the three months ended March 31, 2024 and 2023, respectively. The dividends related to investments held at the end of the reporting period were \$35,039 thousand and \$31,022 thousand, respectively.

b. Investments in debt instruments at FVTOCI

	March 31, 2024	December 31, 2023	March 31, 2023
Bank debentures	\$ 152,999,804	\$ 158,203,732	\$ 169,212,485
Government bonds	42,350,350	46,767,798	53,287,500
Corporate bonds	117,338,477	109,884,856	107,009,837
Overseas bonds	41,490,384	26,844,832	10,402,288
Negotiable certificates of deposit	-	647,419	305,291
Discounted note	254,385	-	-
Securitization products	<u>312,253</u>	<u>-</u>	<u>-</u>
	<u>\$ 354,745,653</u>	<u>\$ 342,348,637</u>	<u>\$ 340,217,401</u>

As of March 31, 2024, December 31, 2023 and March 31, 2023, the investments in debt instruments at FVTOCI, which amounted to \$18,500,456 thousand, \$21,086,679 thousand and \$15,840,101 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 41 for information relating to investments in debt instruments at FVTOCI pledged as security.

10. INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST

	March 31, 2024	December 31, 2023	March 31, 2023
Overseas bonds	\$ 53,380,348	\$ 47,587,450	\$ 37,692,400
Bank debentures	56,995,011	52,396,485	47,955,646
Corporate bonds	23,276,374	22,319,902	20,529,682
Negotiable certificates of deposit	248,490,000	330,975,060	288,074,340
Government bonds	23,247,545	22,363,768	22,369,403
Securitization products	<u>2,839,352</u>	<u>-</u>	<u>176,022</u>
	408,228,630	475,642,665	416,797,493
Less: Allowance for impairment loss	<u>(33,220)</u>	<u>(31,988)</u>	<u>(39,445)</u>
	<u>\$ 408,195,410</u>	<u>\$ 475,610,677</u>	<u>\$ 416,758,048</u>

As of March 31, 2024, December 31, 2023 and March 31, 2023, the investments in debt instruments at amortized cost, which amounted to \$5,789,858 thousand, \$6,243,347 thousand and \$661,074 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 41 for information relating to investments in debt instruments at amortized cost pledged as security.

11. FINANCIAL INSTRUMENTS FOR HEDGING

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Financial assets for hedging</u>			
Fair value hedge - interest rate swaps	\$ 23,315	\$ 1,583	\$ -
<u>Financial liabilities for hedging</u>			
Fair value hedge - interest rate swaps	\$ 93,291	\$ 188,495	\$ 8,170

Fair value hedge

The debt instruments held by the Company may be subject to the risk of fair value fluctuations due to changes in interest rates; as the Company assessed that this risk may be material, it entered into interest rate exchange contracts.

The Company's fair value hedging information is summarized as follows:

March 31, 2024

Hedging Instrument	Contract Amount	Maturity	Line Item in Balance Sheet	Carrying Amount		Change in Value Used for Calculating Hedge Ineffectiveness
				Assets	Liabilities	
Fair value hedge Interest rate swap contracts	\$ 4,768,894	2027.3.8- 2031.10.29	Financial assets and liabilities for hedging	\$ 23,315	\$ (93,291)	\$ 116,979
				Carrying Amount of Assets	Accumulated Amount of Fair Value Hedge Adjustments of Assets	Change in Value Used for Calculating Hedge Ineffectiveness
Fair value hedge Interest rate risk Financial assets at FVTOCI				\$ 4,590,193	\$ 71,521	\$ (116,731)

December 31, 2023

Hedging Instrument	Contract Amount	Maturity	Line Item in Balance Sheet	Carrying Amount		Change in Value Used for Calculating Hedge Ineffectiveness
				Assets	Liabilities	
Fair value hedge Interest rate swap contracts	\$ 4,274,667	2028.2.10- 2031.10.29	Financial assets and liabilities for hedging	\$ 1,583	\$ (188,495)	\$ (186,968)

Hedged Item	Carrying Amount of Assets	Accumulated Amount of Fair Value Hedge Adjustments of Assets	Change in Value Used for Calculating Hedge Ineffectiveness
Fair value hedge Interest rate risk Financial assets at FVTOCI	\$ 4,358,926	\$ 188,252	\$ 188,252

March 31, 2023

Hedging Instrument	Contract Amount	Maturity	Line Item in Balance Sheet	Carrying Amount of Liabilities	Change in Value Used for Calculating Hedge Ineffectiveness
Fair value hedge Interest rate swap contracts	\$ 609,560	2031.10.29	Financial liabilities for hedging	\$ 8,170	\$ (8,172)

Hedged Item	Carrying Amount of Assets	Accumulated Amount of Fair Value Hedge Adjustments of Assets	Change in Value Used for Calculating Hedge Ineffectiveness
Fair value hedge Interest rate risk Financial assets at FVTOCI	\$ 523,092	\$ 5,799	\$ 5,799

For the three months ended March 31, 2024

Impact on Comprehensive Income	Amount of Hedge Ineffectiveness Recognized in Comprehensive Income (Loss)	Line Item in Which Hedge Ineffectiveness Is Included in Comprehensive Income
Fair value hedge Interest rate risk Financial assets at FVTOCI	\$ 204	Other non-interest gains, net

For the three months ended March 31, 2023

Impact on Comprehensive Income	Amount of Hedge Ineffectiveness Recognized in Comprehensive Income (Loss)	Line Item in Which Hedge Ineffectiveness Is Included in Comprehensive Income
Fair value hedge Interest rate risk Financial assets at FVTOCI	\$ (2,371)	Other non-interest gains, net

12. SECURITIES PURCHASED UNDER RESELL AGREEMENTS

Securities acquired for \$10,169,328 thousand, \$8,097,297 thousand and \$99,749 thousand under resell agreements as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively, would subsequently be sold for \$10,180,033 thousand, \$8,105,517 thousand and \$99,824 thousand, respectively.

13. RECEIVABLES, NET

	March 31, 2024	December 31, 2023	March 31, 2023
Receivables on credit cards	\$ 92,319,203	\$ 99,011,690	\$ 84,375,238
Accounts receivable factored without recourse	9,594,104	9,798,078	9,068,562
Margin loans receivable	9,982,089	8,553,887	5,797,650
Accrued interest	12,857,606	12,432,781	9,468,394
Accounts receivable	5,064,204	2,132,078	2,172,183
Settlements receivable	6,547,146	4,932,544	3,318,687
Acceptances	1,105,525	1,137,648	1,313,604
Securities business money lending	3,268,053	2,602,146	1,437,446
Settlement consideration	1,856,331	420,590	1,122,276
Others	<u>2,011,522</u>	<u>2,065,564</u>	<u>2,708,402</u>
	144,605,783	143,087,006	120,782,442
Less: Allowance for possible losses	<u>(1,693,258)</u>	<u>(1,730,693)</u>	<u>(1,816,339)</u>
	<u>\$ 142,912,525</u>	<u>\$ 141,356,313</u>	<u>\$ 118,966,103</u>

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

For the three months ended March 31, 2024

Allowance for Possible Losses	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, 2024	\$ 85,314	\$ 41,805	\$ 743,819	\$ 870,938	\$ 859,755	\$ 1,730,693
Changes of financial instruments recognized at the beginning of the reporting period						
Transfers to						
Lifetime ECL	(359)	1,670	(1,311)	-	-	-
Credit-impaired financial assets	(166)	(14,143)	14,309	-	-	-
12-month ECL	15,899	(14,233)	(1,666)	-	-	-
Derecognition of financial assets in the reporting period	(3,204)	(7,491)	(12,769)	(23,464)	-	(23,464)
New financial assets purchased or originated	1,540	200	1,120	2,860	-	2,860
Difference of impairment loss under regulations	-	-	-	-	94,741	94,741
Write-offs	-	-	(140,121)	(140,121)	-	(140,121)
Recovery of written-off receivables	-	-	99,877	99,877	-	99,877
Change in model or risk parameters	(81,801)	3,283	2,520	(75,998)	-	(75,998)
Change in exchange rates or others	<u>34</u>	<u>43</u>	<u>1,474</u>	<u>1,551</u>	<u>3,119</u>	<u>4,670</u>
Balance at March 31, 2024	<u>\$ 17,257</u>	<u>\$ 11,134</u>	<u>\$ 707,252</u>	<u>\$ 735,643</u>	<u>\$ 957,615</u>	<u>\$ 1,693,258</u>

For the three months ended March 31, 2023

Allowance for Possible Losses	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, 2023	\$ 124,749	\$ 38,637	\$ 427,379	\$ 590,765	\$ 1,303,262	\$ 1,894,027
Changes of financial instruments recognized at the beginning of the reporting period						
Transfers to						
Lifetime ECL	(420)	831	(411)	-	-	-
Credit-impaired financial assets	(229)	(16,236)	16,465	-	-	-
12-month ECL	19,720	(16,424)	(3,296)	-	-	-
Derecognition of financial assets in the reporting period	(1,638)	(638)	(5,957)	(8,233)	-	(8,233)
New financial assets purchased or originated	2,321	465	362	3,148	-	3,148
Difference of impairment loss under regulations	-	-	-	-	(64,723)	(64,723)
Write-offs	-	-	(121,004)	(121,004)	-	(121,004)
Recovery of written-off receivables	-	-	111,288	111,288	-	111,288
Change in model or risk parameters	(70,625)	27,874	52,344	9,593	-	9,593
Change in exchange rates or others	(8)	(1)	(363)	(372)	(7,385)	(7,757)
Balance at March 31, 2023	<u>\$ 73,870</u>	<u>\$ 34,508</u>	<u>\$ 476,807</u>	<u>\$ 585,185</u>	<u>\$ 1,231,154</u>	<u>\$ 1,816,339</u>

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

For the three months ended March 31, 2024

Gross Carrying Amount	12-month ECL	Lifetime ECL	Lifetime ECL (Credit-impaired Financial Assets)	Total
Balance at January 1, 2024	\$ 139,634,530	\$ 409,595	\$ 3,042,881	\$ 143,087,006
Transfers to				
Lifetime ECL	(345,065)	347,204	(2,139)	-
Credit-impaired financial assets	(163,884)	(128,379)	292,263	-
12-month ECL	155,738	(141,286)	(14,452)	-
Derecognition of financial assets in the reporting period	(30,679,220)	(83,381)	(272,504)	(31,035,105)
New financial assets purchased or originated	32,634,004	26,665	5,031	32,665,700
Write-offs	-	-	(140,121)	(140,121)
Change in exchange rates or others	<u>26,268</u>	<u>279</u>	<u>1,756</u>	<u>28,303</u>
Balance at March 31, 2024	<u>\$ 141,262,371</u>	<u>\$ 430,697</u>	<u>\$ 2,912,715</u>	<u>\$ 144,605,783</u>

For the three months ended March 31, 2023

Gross Carrying Amount	12-month ECL	Lifetime ECL	Lifetime ECL (Credit- impaired Financial Assets)	Total
Balance at January 1, 2023	\$ 125,005,419	\$ 291,493	\$ 2,585,789	\$ 127,882,701
Transfers to				
Lifetime ECL	(264,577)	265,866	(1,289)	-
Credit-impaired financial assets	(145,262)	(116,253)	261,515	-
12-month ECL	138,267	(126,230)	(12,037)	-
Derecognition of financial assets in the reporting period	(31,256,068)	(6,138)	(178,058)	(31,440,264)
New financial assets purchased or originated	24,333,077	22,657	102,003	24,457,737
Write-offs	-	-	(121,004)	(121,004)
Change in exchange rates or others	<u>3,706</u>	<u>(6)</u>	<u>(428)</u>	<u>3,272</u>
Balance at March 31, 2023	<u>\$ 117,814,562</u>	<u>\$ 331,389</u>	<u>\$ 2,636,491</u>	<u>\$ 120,782,442</u>

14. DISCOUNTS AND LOANS, NET

	March 31, 2024	December 31, 2023	March 31, 2023
Loans			
Short-term	\$ 289,199,347	\$ 291,965,163	\$ 292,165,086
Medium-term	588,247,444	569,261,377	512,244,793
Long-term	1,257,708,495	1,223,412,299	1,144,640,653
Overdue loans	2,909,913	2,761,151	1,966,892
Bills negotiated and discounts	<u>1,254,490</u>	<u>1,837,649</u>	<u>2,259,380</u>
	2,139,319,689	2,089,237,639	1,953,276,804
Less: Allowance for possible losses	(26,375,378)	(26,022,205)	(23,914,238)
Adjustment of premium or discount	<u>(45,005)</u>	<u>(34,435)</u>	<u>(14,477)</u>
	<u>\$ 2,112,899,306</u>	<u>\$ 2,063,180,999</u>	<u>\$ 1,929,348,089</u>

Refer to Note 41 for information relating to discounts and loans pledged as security.

As of March 31, 2024, December 31, 2023 and March 31, 2023, the loan and credit balances of E.SUN Bank, for which the accrual of interest revenues was discontinued, amounted to \$2,656,835 thousand, \$2,552,152 thousand and \$1,869,466 thousand, respectively. The unrecognized interest revenues on these loans and credits of E.SUN Bank were \$19,401 thousand and \$14,568 thousand for the three months ended March 31, 2024 and 2023, respectively.

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

For the three months ended March 31, 2024

Allowance for Possible Losses	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, 2024	\$ 1,683,370	\$ 2,008,523	\$ 3,114,646	\$ 6,806,539	\$ 19,215,666	\$ 26,022,205
Changes of financial instruments recognized at the beginning of the reporting period						
Transfers to						
Lifetime ECL	(4,347)	14,464	(10,117)	-	-	-
Credit-impaired financial assets	(1,493)	(134,135)	135,628	-	-	-
12-month ECL	92,887	(83,565)	(9,322)	-	-	-
Derecognition of financial assets in the reporting period	(216,764)	(25,970)	(212,794)	(455,528)	-	(455,528)
New financial assets purchased or originated	289,304	53,950	2,841	346,095	-	346,095
Difference of impairment loss under regulations	-	-	-	-	1,900,950	1,900,950
Write-offs	-	-	(209,873)	(209,873)	-	(209,873)
Recovery of written-off credits	-	-	98,414	98,414	-	98,414
Change in model or risk parameters	(629,502)	(802,916)	(14,530)	(1,446,948)	-	(1,446,948)
Change in exchange rates or others	15,673	537	2,862	19,072	100,991	120,063
Balance at March 31, 2024	<u>\$ 1,229,128</u>	<u>\$ 1,030,888</u>	<u>\$ 2,897,755</u>	<u>\$ 5,157,771</u>	<u>\$ 21,217,607</u>	<u>\$ 26,375,378</u>

For the three months ended March 31, 2023

Allowance for Possible Losses	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, 2023	\$ 1,594,898	\$ 1,507,384	\$ 3,130,969	\$ 6,233,251	\$ 18,224,559	\$ 24,457,810
Changes of financial instruments recognized at the beginning of the reporting period						
Transfers to						
Lifetime ECL	(9,109)	19,751	(10,642)	-	-	-
Credit-impaired financial assets	(2,031)	(213,782)	215,813	-	-	-
12-month ECL	97,310	(82,144)	(15,166)	-	-	-
Derecognition of financial assets in the reporting period	(110,729)	(18,031)	(98,805)	(227,565)	-	(227,565)
New financial assets purchased or originated	263,837	29,163	60,174	353,174	-	353,174
Difference of impairment loss under regulations	-	-	-	-	(487,329)	(487,329)
Write-offs	-	-	(738,102)	(738,102)	-	(738,102)
Recovery of written-off credits	-	-	124,752	124,752	-	124,752
Change in model or risk parameters	(256,863)	592,176	114,830	450,143	-	450,143
Change in exchange rates or others	(1,803)	(158)	(310)	(2,271)	(16,374)	(18,645)
Balance at March 31, 2023	<u>\$ 1,575,510</u>	<u>\$ 1,834,359</u>	<u>\$ 2,783,513</u>	<u>\$ 6,193,382</u>	<u>\$ 17,720,856</u>	<u>\$ 23,914,238</u>

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

For the three months ended March 31, 2024

Gross Carrying Amount	12-month ECL	Lifetime ECL	Lifetime ECL (Credit- impaired Financial Assets)	Total
Balance at January 1, 2024	\$ 2,071,718,499	\$ 9,147,051	\$ 8,372,089	\$ 2,089,237,639
Transfers to				
Lifetime ECL	(1,162,959)	1,249,742	(86,783)	-
Credit-impaired financial assets	(389,648)	(444,272)	833,920	-
12-month ECL	520,767	(454,695)	(66,072)	-
Derecognition of financial assets in the reporting period	(284,084,215)	(1,974,489)	(599,454)	(286,658,158)
New financial assets purchased or originated	334,786,440	510,562	108,602	335,405,604
Write-offs	-	-	(209,873)	(209,873)
Change in exchange rates or others	<u>1,502,785</u>	<u>28,016</u>	<u>13,676</u>	<u>1,544,477</u>
Balance at March 31, 2024	<u>\$ 2,122,891,669</u>	<u>\$ 8,061,915</u>	<u>\$ 8,366,105</u>	<u>\$ 2,139,319,689</u>

For the three months ended March 31, 2023

Gross Carrying Amount	12-month ECL	Lifetime ECL	Lifetime ECL (Credit- impaired Financial Assets)	Total
Balance at January 1, 2023	\$ 1,942,716,929	\$ 7,867,961	\$ 8,682,483	\$ 1,959,267,373
Transfers to				
Lifetime ECL	(2,475,141)	2,591,913	(116,772)	-
Credit-impaired financial assets	(427,713)	(656,133)	1,083,846	-
12-month ECL	445,358	(331,948)	(113,410)	-
Derecognition of financial assets in the reporting period	(286,064,397)	(453,033)	(577,724)	(287,095,154)
New financial assets purchased or originated	281,017,410	650,983	95,819	281,764,212
Write-offs	-	-	(738,102)	(738,102)
Change in exchange rates or others	<u>82,892</u>	<u>(3,423)</u>	<u>(994)</u>	<u>78,475</u>
Balance at March 31, 2023	<u>\$ 1,935,295,338</u>	<u>\$ 9,666,320</u>	<u>\$ 8,315,146</u>	<u>\$ 1,953,276,804</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, 2024 and 2023 were as follows:

	For the Three Months Ended March 31	
	2024	2023
Reversal of provision for possible losses on due from banks	\$ -	\$ (7,694)
Provision for possible losses on call loans to other banks	31,914	13,369
Reversal of provision for possible losses on receivables	(1,861)	(60,215)
Provision for possible losses on discounts and loans	344,569	88,423
Provision (reversal of provision) for possible losses on overdue receivables	542	(33)
Provision (reversal of provision) for possible losses on guarantees	6,383	(45,553)
Provision (reversal of provision) for possible losses on financing commitments	<u>(10,105)</u>	<u>9,819</u>
	<u>\$ 371,442</u>	<u>\$ (1,884)</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 advances for trade finance) and loans for house purchases, renovations and constructions. As of March 31, 2024, December 31, 2023 and March 31, 2023, E.SUN Bank was in compliance with the FSC's provision requirement for both types of credit assets.

15. UNCONSOLIDATED STRUCTURED ENTITIES

- a. E.SUN Bank holds the following unconsolidated structured entities. The fund is from E.SUN Bank and an external third-party.

Type of Structured Entity	Characteristic and Purpose	Equity Owned by E.SUN Bank
Assets securitization products and asset-based loan	Investment in assets securitization product and asset-based loan to gain profit	Investment in asset-backed securities issued by unconsolidated structured entities and principal of loans

- b. As of March 31, 2024, December 31, 2023 and March 31, 2023, the carrying amounts of the unconsolidated structured entities recognized by E.SUN Bank were as below:

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Assets securitization products and asset - based loan</u>			
Financial assets at fair value through other comprehensive income	\$ 312,253	\$ -	\$ -
Investments in debt instruments at amortized cost	2,839,352	-	174,374
Discounts and loans	<u>-</u>	<u>-</u>	<u>752,726</u>
	<u>\$ 3,151,605</u>	<u>\$ -</u>	<u>\$ 927,100</u>

The maximum exposure to possible loss is the carrying amount of the assets held.

16. OTHER FINANCIAL ASSETS, NET

	March 31, 2024	December 31, 2023	March 31, 2023
Overdue receivable	\$ 144,696	\$ 144,154	\$ 185,608
Less: Allowance for possible losses	<u>(144,696)</u>	<u>(144,154)</u>	<u>(185,608)</u>
Overdue receivable, net	-	-	-
Due from banks	9,919,624	3,512,573	5,179,910
Guarantee deposits received on futures contracts	2,135,976	1,930,653	1,696,825
Others	<u>-</u>	<u>-</u>	<u>11,550</u>
	<u>\$ 12,055,600</u>	<u>\$ 5,443,226</u>	<u>\$ 6,888,285</u>

Guarantee deposits received on futures contracts were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Deposits in bank	\$ 1,402,672	\$ 1,081,796	\$ 926,199
Deposits held by futures commission merchants as a clearing member	732,843	848,857	770,626
Securities	<u>461</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,135,976</u>	<u>\$ 1,930,653</u>	<u>\$ 1,696,825</u>
Guarantee deposits received on futures contracts	\$ 2,135,976	\$ 1,930,653	\$ 1,696,825
Less: Commission revenue	(672)	(409)	(651)
Futures transaction tax	(360)	(184)	(331)
Temporary receipts	<u>(2,026)</u>	<u>(2,357)</u>	<u>(1,288)</u>
Customers' equity accounts - futures (Note 31)	<u>\$ 2,132,918</u>	<u>\$ 1,927,703</u>	<u>\$ 1,694,555</u>

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

17. INVESTMENT PROPERTIES, NET

	March 31, 2024	December 31, 2023	March 31, 2023
Land	\$ 208,875	\$ 208,875	\$ 208,875
Buildings	1,511,272	1,497,687	1,569,984
Right-of-use assets	<u>45,913</u>	<u>46,175</u>	<u>46,960</u>
	<u>\$ 1,766,060</u>	<u>\$ 1,752,737</u>	<u>\$ 1,825,819</u>

Right-of-use assets included in investment properties are part of acquired superficies and above-ground buildings which are subleased under operating leases.

Except for depreciation expenses recognized, the Company had no significant addition, disposal and impairment on investment properties during the three months ended March 31, 2024 and 2023.

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

As of March 31, 2024, December 31, 2023 and March 31, 2023, the fair values of investment properties were \$2,350,817 thousand, \$2,683,470 thousand and \$2,603,124 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:

	For the Three Months Ended March 31	
	2024	2023
Rental income from investment properties	\$ 10,462	\$ 10,354
Direct operating expenses of investment properties that generate rental income	(13,070)	(13,261)
Direct operating expenses of investment properties that do not generate rental income	<u>(142)</u>	<u>(138)</u>
	<u>\$ (2,750)</u>	<u>\$ (3,045)</u>

Lease agreements on premises occupied by other companies or 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, 2024, December 31, 2023 and March 31, 2023, refundable deposits on these leases totaled \$13,227 thousand, \$12,381 thousand and \$12,643 thousand, respectively (part of guarantee deposits received). The maturity analysis of lease payments receivable under operating leases of investment properties was as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Year 1	\$ 53,139	\$ 53,466	\$ 52,012
Year 2	6,773	9,697	47,000
Year 3	5,733	1,836	2,876
Year 4	3,338	1,650	1,836
Year 5	2,580	720	651
Over 5 years	<u>1,975</u>	<u>720</u>	<u>-</u>
	<u>\$ 73,538</u>	<u>\$ 68,089</u>	<u>\$ 104,375</u>

18. PROPERTIES AND EQUIPMENT, NET

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Carrying amount</u>			
Land	\$ 14,978,319	\$ 14,965,065	\$ 14,703,676
Buildings	13,661,065	13,666,248	13,516,869
Computers	2,538,428	2,659,971	2,756,135
Transportation equipment	506,213	508,798	442,353
Miscellaneous equipment	1,577,075	1,565,975	1,499,725
Prepayments for properties and equipment	<u>1,247,788</u>	<u>1,299,791</u>	<u>1,678,870</u>
	<u>\$ 34,508,888</u>	<u>\$ 34,665,848</u>	<u>\$ 34,597,628</u>

	Land	Buildings	Computers	Transportation Equipment	Miscellaneous Equipment	Prepayments	Total
<u>Cost</u>							
Balance, January 1, 2024	\$ 14,965,065	\$ 19,447,133	\$ 8,151,692	\$ 1,163,326	\$ 4,177,828	\$ 1,299,791	\$ 49,204,835
Addition	-	25,322	30,089	11,445	29,275	201,907	298,038
Disposal	-	-	(36,208)	(23,870)	(9,567)	-	(69,645)
Net exchange difference	13,254	55,741	11,156	1,725	24,175	732	106,783
Reclassification and others	-	115,921	42,199	11,610	34,859	(254,642)	(50,053)
Balance, March 31, 2024	<u>\$ 14,978,319</u>	<u>\$ 19,644,117</u>	<u>\$ 8,198,928</u>	<u>\$ 1,164,236</u>	<u>\$ 4,256,570</u>	<u>\$ 1,247,788</u>	<u>\$ 49,489,958</u>
<u>Accumulated depreciation and impairment</u>							
Balance, January 1, 2024	\$ -	\$ (5,780,885)	\$ (5,491,721)	\$ (654,528)	\$ (2,611,853)	\$ -	\$ (14,538,987)
Disposal	-	-	36,186	23,440	7,921	-	67,547
Depreciation expenses	-	(187,970)	(196,124)	(25,399)	(58,465)	-	(467,958)
Net exchange difference	-	(14,197)	(8,841)	(1,536)	(17,098)	-	(41,672)
Balance, March 31, 2024	<u>\$ -</u>	<u>\$ (5,983,052)</u>	<u>\$ (5,660,500)</u>	<u>\$ (658,023)</u>	<u>\$ (2,679,495)</u>	<u>\$ -</u>	<u>\$ (14,981,070)</u>
<u>Cost</u>							
Balance, January 1, 2023	\$ 14,706,278	\$ 18,530,243	\$ 7,690,853	\$ 1,022,451	\$ 4,164,787	\$ 2,283,790	\$ 48,398,402
Addition	-	20,968	65,065	17,391	22,328	420,775	546,527
Disposal	-	-	(30,545)	(2,653)	(42,575)	-	(75,773)
Net exchange difference	(2,602)	924	(519)	(445)	(5,780)	590	(7,832)
Reclassification and others	-	747,908	83,536	3,283	392	(1,026,285)	(191,166)
Balance, March 31, 2023	<u>\$ 14,703,676</u>	<u>\$ 19,300,043</u>	<u>\$ 7,808,390</u>	<u>\$ 1,040,027</u>	<u>\$ 4,139,152</u>	<u>\$ 1,678,870</u>	<u>\$ 48,670,158</u>
<u>Accumulated depreciation and impairment</u>							
Balance, January 1, 2023	\$ -	\$ (5,609,468)	\$ (4,876,972)	\$ (578,422)	\$ (2,624,808)	\$ -	\$ (13,689,670)
Disposal	-	-	30,497	2,652	42,573	-	75,722
Depreciation expenses	-	(173,997)	(206,165)	(22,200)	(60,261)	-	(462,623)
Net exchange difference	-	291	385	296	3,069	-	4,041
Balance, March 31, 2023	<u>\$ -</u>	<u>\$ (5,783,174)</u>	<u>\$ (5,052,255)</u>	<u>\$ (597,674)</u>	<u>\$ (2,639,427)</u>	<u>\$ -</u>	<u>\$ (14,072,530)</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

19. LEASE ARRANGEMENTS

a. Right-of-use assets, net

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Carrying amounts</u>			
Land and superficies royalties	\$ 3,568,235	\$ 3,692,249	\$ 3,752,245
Buildings	3,714,030	3,640,873	3,328,372
Office equipment	816	1,919	5,322
Transportation equipment	<u>8,090</u>	<u>7,676</u>	<u>4,193</u>
	<u>\$ 7,291,171</u>	<u>\$ 7,342,717</u>	<u>\$ 7,090,132</u>

	For the Three Months Ended March 31	
	2024	2023
Additions to right-of-use assets	<u>\$ 230,149</u>	<u>\$ 257,484</u>
Depreciation charge for right-of-use assets		
Land and superficies royalties	\$ 19,402	\$ 19,999
Buildings	290,177	282,988
Office equipment	1,110	1,127
Transportation equipment	<u>997</u>	<u>1,091</u>
	<u>\$ 311,686</u>	<u>\$ 305,205</u>

The Company has been subleasing part of its acquired superficies and above-ground buildings under operating leases. The related right-of-use assets are presented as investment properties. Please refer to Note 17. The amounts disclosed above with respect to the right-of-use assets do not include right-of-use assets that meet the definition of investment properties.

Except for the additions, depreciation and sublease recognized above, the Company had no impairment of right-of-use assets during the three months ended March 31, 2024 and 2023.

b. Lease liabilities

	March 31, 2024	December 31, 2023	March 31, 2023
Carrying amounts	<u>\$ 4,553,675</u>	<u>\$ 4,617,337</u>	<u>\$ 4,228,114</u>

Range of discount rates for lease liabilities was as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Land	2.08%	1.09%	1.09%
Buildings	0.37%-7.50%	0.37%-7.50%	0.37%-7.50%
Office equipment	0.70%-2.98%	0.70%-2.63%	0.70%-2.63%
Transportation equipment	0.73%-2.98%	0.73%-2.98%	0.73%-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, 2024, December 31, 2023 and March 31, 2023, refundable deposits on these leases totaled \$726,680 thousand, \$726,491 thousand and \$743,532 thousand, respectively.

d. Other lease information

Lease arrangements under operating leases for the leasing out of investment properties are set out in Note 17.

	For the Three Months Ended March 31	
	2024	2023
Expenses relating to short-term leases	<u>\$ 14,071</u>	<u>\$ 9,238</u>
Expenses relating to low-value asset leases	<u>\$ 123</u>	<u>\$ 150</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ -</u>	<u>\$ 137</u>
Total cash outflow for leases	<u>\$ (357,043)</u>	<u>\$ (346,123)</u>

The Company's leases of 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.

20. INTANGIBLE ASSETS, NET

	March 31, 2024	December 31, 2023	March 31, 2023
Goodwill	\$ 4,512,985	\$ 4,487,845	\$ 4,482,328
Computer software	1,175,330	1,267,385	1,153,866
Banking licenses	510,560	490,572	486,185
Core deposits	10,343	11,021	13,055
Developed technology	15,050	16,418	20,522
Customer relationship	8,517	9,194	11,225
Carbon credits	<u>994</u>	<u>1,592</u>	<u>-</u>
	<u>\$ 6,233,779</u>	<u>\$ 6,284,027</u>	<u>\$ 6,167,181</u>

	Goodwill	Computer Software	Banking Licenses	Core Deposits	Developed Technology	Customer Relationship	Carbon Credits	Total
Balance, January 1, 2024	\$ 4,487,845	\$ 1,267,385	\$ 490,572	\$ 11,021	\$ 16,418	\$ 9,194	\$ 1,592	\$ 6,284,027
Separate acquisition	-	26,399	-	-	-	-	-	26,399
Amortization expenses	-	(152,940)	-	(678)	(1,368)	(677)	-	(155,663)
Reclassification and others	-	31,194	-	-	-	-	(598)	30,596
Net exchange difference	<u>25,140</u>	<u>3,292</u>	<u>19,988</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,420</u>
Balance, March 31, 2024	<u>\$ 4,512,985</u>	<u>\$ 1,175,330</u>	<u>\$ 510,560</u>	<u>\$ 10,343</u>	<u>\$ 15,050</u>	<u>\$ 8,517</u>	<u>\$ 994</u>	<u>\$ 6,233,779</u>
Balance, January 1, 2023	\$ 4,487,263	\$ 1,084,592	\$ 490,109	\$ 13,733	\$ 21,891	\$ 11,902	\$ -	\$ 6,109,490
Separate acquisition	-	47,793	-	-	-	-	-	47,793
Amortization expenses	-	(169,811)	-	(678)	(1,369)	(677)	-	(172,535)
Reclassification	-	191,150	-	-	-	-	-	191,150
Net exchange difference	<u>(4,935)</u>	<u>142</u>	<u>(3,924)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,717)</u>
Balance, March 31, 2023	<u>\$ 4,482,328</u>	<u>\$ 1,153,866</u>	<u>\$ 486,185</u>	<u>\$ 13,055</u>	<u>\$ 20,522</u>	<u>\$ 11,225</u>	<u>\$ -</u>	<u>\$ 6,167,181</u>

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

Computer software	3 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.

21. OTHER ASSETS, NET

	March 31, 2024	December 31, 2023	March 31, 2023
Refundable deposits, net	\$ 17,039,304	\$ 15,064,617	\$ 11,633,382
Operating deposits and settlement funds	597,769	597,634	576,653
Prepayments	1,072,260	562,627	1,321,362
Defined benefit assets	1,037,018	973,760	839,903
Collections for underwriting stock value	567,610	19,263	350
Others	<u>848,034</u>	<u>327,862</u>	<u>161,142</u>
	<u>\$ 21,161,995</u>	<u>\$ 17,545,763</u>	<u>\$ 14,532,792</u>

22. DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS

	March 31, 2024	December 31, 2023	March 31, 2023
Call loans from banks	\$ 41,961,090	\$ 37,995,476	\$ 38,283,184
Deposits from Chunghwa Post Co., Ltd.	2,276,177	2,276,177	22,276,177
Call loans from the Central Bank	2,240,420	2,152,710	2,133,460
Banks overdrafts	321,660	412,863	321,621
Deposits from banks	4,193,618	2,601,837	2,845,692
Deposits from the Central Bank	<u>28,742</u>	<u>29,632</u>	<u>30,000</u>
	<u>\$ 51,021,707</u>	<u>\$ 45,468,695</u>	<u>\$ 65,890,134</u>

23. SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

Securities sold for \$22,553,062 thousand, \$24,678,722 thousand and \$15,065,933 thousand under repurchase agreements as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively, would subsequently be purchased for \$22,735,883 thousand, \$24,930,462 thousand and \$15,119,833 thousand, respectively.

24. COMMERCIAL PAPER ISSUED, NET

The face values of commercial paper issued were \$9,795,000 thousand, \$9,100,000 thousand and \$3,970,000 thousand, and the annual discount rates were from 1.43%-1.84%, 1.43%-1.55% and 1.23%-1.40%, as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively. These financial instruments were accepted and guaranteed by financial institutions.

25. PAYABLES

	March 31, 2024	December 31, 2023	March 31, 2023
Checks for clearing	\$ 6,403,771	\$ 6,805,152	\$ 3,797,344
Accrued interest	10,951,505	8,316,065	8,502,147
Accrued expenses	3,879,630	6,447,662	2,976,262
Accounts payable	3,275,296	2,214,558	2,826,212
Factored accounts payable	5,480,072	5,256,860	4,673,573
Settlements payable	8,261,940	5,382,879	4,319,860
Acceptances	1,154,397	1,129,377	1,328,053
Payables for short-sale transactions	500,142	878,671	494,515
Deposits on short-sale transactions	456,896	799,854	492,011
Tax payable	357,177	553,203	326,319
Collections payable	648,224	739,605	531,626
Other payables - universal cash payment	-	-	2,262,288
Interbank remittance clearing payables	1,740,019	1,776,156	2,092,531
Others	<u>2,721,438</u>	<u>2,778,572</u>	<u>2,539,348</u>
	<u>\$ 45,830,507</u>	<u>\$ 43,078,614</u>	<u>\$ 37,162,089</u>

26. DEPOSITS AND REMITTANCES

	March 31, 2024	December 31, 2023	March 31, 2023
Deposits			
Checking	\$ 13,480,187	\$ 18,762,370	\$ 12,757,163
Demand	704,833,670	709,613,103	681,379,698
Savings - demand	774,916,412	758,921,297	733,864,127
Time	1,086,464,615	1,030,141,842	992,510,490
Negotiable certificates of deposit	18,298,681	18,181,432	9,546,951
Savings - time	481,243,942	466,984,562	418,292,041
Treasury deposits	15,529,678	16,466,218	15,167,978
Remittances	<u>1,511,514</u>	<u>1,976,227</u>	<u>1,010,648</u>
	<u>\$ 3,096,278,699</u>	<u>\$ 3,021,047,051</u>	<u>\$ 2,864,529,096</u>

27. BONDS PAYABLE

	March 31, 2024	December 31, 2023	March 31, 2023
Bank debentures	\$ 37,050,000	\$ 39,250,000	\$ 39,750,000
ESFHC's unsecured corporate bonds - first issue in 2019	-	4,000,000	4,000,000
ESFHC's unsecured corporate bonds - first issue in 2021	2,000,000	2,000,000	2,000,000
ESFHC's unsecured corporate bonds - first issue in 2023	3,000,000	3,000,000	-
ESFHC's unsecured corporate bonds - first issue in 2024	<u>3,800,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 45,850,000</u>	<u>\$ 48,250,000</u>	<u>\$ 45,750,000</u>

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

On May 25, 2021, ESFHC issued a first issue of unsecured corporate bonds with aggregate face value of \$2,000,000 thousand and a par value of \$10,000 thousand. The bonds will mature in five years, and principal is repayable on maturity. Interest is payable annually at an annual interest rate of 0.50%.

On November 27, 2023, ESFHC issued its first issue of unsecured corporate bonds with an aggregate face value of \$3,000,000 thousand and a par value of \$1,000 thousand. The bonds will mature in ten years, and the principal is repayable on maturity. Interest is payable annually at an annual interest rate of 1.83%.

On March 27, 2024, ESFHC issued its first issue of unsecured corporate bonds with an aggregate face value of \$3,800,000 thousand and a par value of \$1,000 thousand. The bonds will mature in five years, and the principal is repayable on maturity. Interest is payable annually at an annual interest rate of 1.68%.

To strengthen operating capital and fulfill maturing debt obligations, on October 16, 2023, the FSC approved the issuance of unsecured corporate bonds amounting to NT\$9 billion with no more than 15 years to maturity that can be issued in installments.

As of the date the consolidated financial statements were authorized for issue, corporate bonds amounting to NT\$2.2 billion have not yet been issued.

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

	March 31, 2024	December 31, 2023	March 31, 2023
Two types of subordinated bonds issued on May 24, 2013; interest rate at (a) 1.55% for type A bond and (b) 1.70% 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).	\$ -	\$ -	\$ 1,500,000
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	2,200,000
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).	4,500,000	4,500,000	4,500,000
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).	3,650,000	3,650,000	3,650,000
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
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).	3,000,000	3,000,000	3,000,000

(Continued)

	March 31, 2024	December 31, 2023	March 31, 2023
Two types of bonds issued on October 28, 2021; interest rate at (a) 0.37% for type A bond and (b) 0.47% for type B bond; interest payable annually for both bond types; principal repayable on maturity (3 years for type A bond and 7 years for type B bond after the issue date).	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000
Bonds issued on March 18, 2022; interest rate at 0.71%; interest payable annually; principal repayable on maturity (5 years after the issue date).	1,100,000	1,100,000	1,100,000
Two types of subordinated bonds issued on June 15, 2022; interest rate at (a) 1.90% 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).	2,700,000	2,700,000	2,700,000
Bonds issued on July 27, 2022; interest rate at 1.60%; interest payable annually; principal repayable on maturity (3 years after the issue date).	7,300,000	7,300,000	7,300,000
Subordinated bonds issued on December 27, 2022; interest rate at 2.30%; interest payable annually; principal repayable on maturity (7 years after the issue date).	2,300,000	2,300,000	2,300,000
Bonds issued on March 16, 2023; interest rate at 1.40%; interest payable annually; principal repayable on maturity (5 years after the issue date).	1,900,000	1,900,000	1,900,000
Bonds issued on November 23, 2023; interest rate at 1.45%; interest payable annually; principal repayable on maturity (5 years after the issue date).	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
	<u>\$ 37,050,000</u>	<u>\$ 39,250,000</u>	<u>\$ 39,750,000</u> (Concluded)

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

	March 31, 2024	December 31, 2023	March 31, 2023
Unsecured USD-denominated subordinated bonds issued on May 27, 2015	\$ 3,517,451	\$ 3,500,020	\$ 3,121,341
Unsecured noncumulative perpetual USD-denominated subordinated bonds issued on May 27, 2015	1,522,491	1,532,286	1,586,073
Unsecured USD-denominated subordinated bonds issued on October 28, 2015	2,578,682	2,580,230	2,260,782
Unsecured noncumulative perpetual USD-denominated subordinated bonds issued on October 28, 2015	814,270	813,638	803,592
Unsecured USD-denominated subordinated bonds issued on January 22, 2016	9,673,929	9,688,171	9,258,191
Unsecured noncumulative perpetual USD-denominated subordinated bonds issued on January 22, 2016	5,357,036	5,048,411	5,347,595
Unsecured USD-denominated subordinated bonds issued on June 6, 2016	3,088,036	3,090,084	2,816,244
Unsecured noncumulative perpetual USD-denominated subordinated bonds issued on June 6, 2016	2,143,886	2,083,438	2,156,867
Unsecured noncumulative perpetual USD-denominated subordinated bonds issued on December 29, 2016	2,039,929	2,006,632	2,065,649
Unsecured USD-denominated bonds issued on May 19, 2017	1,858,928	1,870,347	1,686,758
Unsecured USD-denominated bonds issued on November 21, 2017	4,065,117	4,114,992	3,679,314
Unsecured noncumulative perpetual USD-denominated subordinated bonds issued on February 12, 2018	4,598,093	4,474,560	4,631,348
Unsecured USD-denominated foreign exchange-linked bonds issued on July 28, 2023	-	668,794	-
Unsecured USD-denominated redeemable interest rate-linked bonds issued on July 28, 2023	623,792	599,227	-
Unsecured USD-denominated redeemable interest rate-linked bonds issued on August 18, 2023	288,602	277,327	-
Unsecured USD-denominated foreign exchange-linked structured products with a 6-month maturity issued on January 26, 2024	1,388,486	-	-
Unsecured USD-denominated redeemable interest rate-linked structured products with a 3-year maturity issued on January 26, 2024	<u>73,054</u>	<u>-</u>	<u>-</u>
	<u>\$ 43,631,782</u>	<u>\$ 42,348,157</u>	<u>\$ 39,413,754</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.

On July 28, 2023, E.SUN Bank issued unsecured foreign exchange-linked bank debentures amounting to US\$21,300 thousand with a 6-month maturity, and the interest rate is determined by the exchange rate. If the USD/CNY exchange rate is 7.3 or higher, the interest rate is 5.85%; otherwise, it is 5.15%. In accordance with the terms of the bank debentures and with the approval of the authorities, E.SUN Bank may calculate and pay interest at the maturity date and repay the full principal at that time.

On July 28, 2023, E.SUN Bank issued unsecured redeemable interest rate-linked bank debentures amounting to US\$19,600 thousand with a 3-year maturity and a range of 5.5%-5.8% interest rate. It is determined by a 10-year fixed-term swap rate for USD (annual interest). In accordance with the terms of the bank debentures, E.SUN Bank may calculate and pay interest quarterly and repay the principal in full at maturity, unless the issuer exercises the redemption option.

On August 18, 2023, E.SUN Bank issued unsecured redeemable interest rate-linked bank debentures amounting to US\$9,100 thousand with a 3-year maturity and a range of 5.5%-5.8% interest rate. It is determined by a 10-year fixed-term swap rate for USD (annual interest). In accordance with the terms of the bank debentures, E.SUN Bank may calculate and pay interest quarterly and repay the principal in full at maturity, unless the issuer exercises the redemption option.

On January 26, 2024, E.SUN Bank issued unsecured foreign exchange-linked structured products amounting to US\$43,200 thousand with a 6-month maturity, and the interest rate is determined by the exchange rate. If the USD/CNY exchange rate is 7.15 or higher, the interest rate is 5.80%; otherwise, it is 5.00%. In accordance with the terms of the bank debentures and with the approval of the authorities, the Bank may calculate and pay interest at the maturity date and repay the full principal at that time. On March 12, 2024, E.SUN Bank early redeemed US\$200 thousand of unsecured foreign exchange-linked structured products.

On January 26, 2024, E.SUN Bank issued unsecured foreign exchange-linked structured products amounting to US\$2,300 thousand with a 3-year maturity, and the interest rate is the compounded interest rate of the daily U.S. dollar secured overnight financing rate for the period. The lowest interest rate is 3.20%, and the highest is 5.20%. Interest is calculated and paid quarterly. In addition to the issuer exercising the redemption right, the principal will be repaid in one lump sum on the maturity 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 sustainable business development and the government's green finance policy, on September 20, 2022, the FSC approved the issuance of unsecured bank debentures amounting to NT\$30 billion (or foreign currency equivalent) with no more than 40 years to maturity and can be issued in installments.

The FSC on January 19 and July 28, 2023, respectively, approved the issuance of unsecured foreign currency bank debentures US\$50,000 thousand (or foreign currency equivalent) and offshore structured products US\$50,000 thousand (or foreign currency equivalent) with no more than 30 years to maturity and can be issued in installments within 10 years to strengthen operating capital and capital structure.

On April 10, 2024, E.SUN Bank issued unsecured bank debentures amounting to NT\$1,600,000 thousand with a 5-year maturity. The interest rate is 1.50%. E.SUN Bank may calculate and pay interest annually and repay the principal in full at maturity.

As of the date the consolidated financial statements were authorized for issue, bank debentures amounting to NT\$25.5 billion and US\$26,000 thousand (or foreign currency equivalent) has not yet been issued.

28. OTHER BORROWINGS

	<u>March 31, 2024</u>		<u>December 31, 2023</u>		<u>March 31, 2023</u>	
	Amount	%	Amount	%	Amount	%
Short-term borrowings	\$ -	-	\$ 30,753	6.74	\$ 2,455,466	1.98-6.08
Long-term borrowings	<u>363,497</u>	7.18-7.64	<u>351,463</u>	7.32-7.51	<u>354,851</u>	4.31-4.95
	<u>\$ 363,497</u>		<u>\$ 382,216</u>		<u>\$ 2,810,317</u>	

29. PROVISIONS

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Provision for losses on financing commitment	\$ 664,178	\$ 671,480	\$ 620,519
Provision for employee benefits	3,676	3,638	3,537
Provision for losses on guarantees	267,116	259,719	285,759
Others	<u>170,056</u>	<u>170,047</u>	<u>168,140</u>
	<u>\$ 1,105,026</u>	<u>\$ 1,104,884</u>	<u>\$ 1,077,955</u>

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

For the three months ended March 31, 2024

	<u>12-month ECL</u>	<u>Lifetime ECL</u>	<u>Lifetime ECL (Credit-impaired Financial Assets)</u>	<u>Impairment Loss under IFRS 9</u>	<u>Difference of Impairment Loss under Regulations</u>	<u>Total</u>
Balance at January 1, 2024	\$ 149,130	\$ 47,727	\$ 3,190	\$ 200,047	\$ 731,152	\$ 931,199
Changes of financial instruments recognized at the beginning of the reporting period						
Transfers to						
Lifetime ECL	(20)	20	-	-	-	-
Credit-impaired financial instruments	-	(143)	143	-	-	-
12-month ECL	1,342	(1,013)	(329)	-	-	-
Derecognition of financial instruments in the reporting period	(16,836)	(112)	(22)	(16,970)	-	(16,970)
New financial instruments purchased or originated	22,513	2	41	22,556	-	22,556
Difference of impairment loss under regulations	-	-	-	-	69,054	69,054
Change in model or risk parameters	(57,972)	(21,986)	1,596	(78,362)	-	(78,362)
Change in exchange rates or others	<u>561</u>	<u>32</u>	<u>-</u>	<u>593</u>	<u>3,224</u>	<u>3,817</u>
Balance at March 31, 2024	<u>\$ 98,718</u>	<u>\$ 24,527</u>	<u>\$ 4,619</u>	<u>\$ 127,864</u>	<u>\$ 803,430</u>	<u>\$ 931,294</u>

For the three months ended March 31, 2023

	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, 2023	\$ 110,707	\$ 47,755	\$ 3,228	\$ 161,690	\$ 781,163	\$ 942,853
Changes of financial instruments recognized at the beginning of the reporting period						
Transfers to						
Lifetime ECL	(29)	29	-	-	-	-
Credit-impaired financial instruments	(1)	(72)	73	-	-	-
12-month ECL	5,967	(5,421)	(546)	-	-	-
Derecognition of financial instruments in the reporting period	(4,874)	(73)	(11)	(4,958)	-	(4,958)
New financial instruments purchased or originated	22,488	7	11	22,506	-	22,506
Difference of impairment loss under regulations	-	-	-	-	(43,932)	(43,932)
Change in model or risk parameters	(2,359)	(7,733)	742	(9,350)	-	(9,350)
Change in exchange rates or others	(7)	(2)	-	(9)	(832)	(841)
Balance at March 31, 2023	<u>\$ 131,892</u>	<u>\$ 34,490</u>	<u>\$ 3,497</u>	<u>\$ 169,879</u>	<u>\$ 736,399</u>	<u>\$ 906,278</u>

30. 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 \$114,140 thousand and \$110,085 thousand in the consolidated statements of comprehensive income for the three months ended March 31, 2024 and 2023, 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 2024 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, 2024 and 2023, the pension benefits and expenses under defined benefit plan recognized in the consolidated statements of comprehensive income amounted to \$493 thousand and \$1,759 thousand, respectively.

31. OTHER FINANCIAL LIABILITIES

	March 31, 2024	December 31, 2023	March 31, 2023
Principal of structured products	\$ 106,285,233	\$ 103,886,397	\$ 92,874,503
Guarantee deposits received	3,414,892	2,404,814	4,257,130
Customers' equity accounts - futures	<u>2,132,918</u>	<u>1,927,703</u>	<u>1,694,555</u>
	<u>\$ 111,833,043</u>	<u>\$ 108,218,914</u>	<u>\$ 98,826,188</u>

32. OTHER LIABILITIES

	March 31, 2024	December 31, 2023	March 31, 2023
Advance receipts	\$ 3,258,483	\$ 3,067,803	\$ 2,934,923
Deferred revenue	772,535	745,659	714,450
Collections for underwriting stock value	567,513	19,204	291
Others	<u>34,156</u>	<u>9,973</u>	<u>18,342</u>
	<u>\$ 4,632,687</u>	<u>\$ 3,842,639</u>	<u>\$ 3,668,006</u>

33. NET INTEREST

	For the Three Months Ended March 31	
	2024	2023
Interest revenue		
From discounts and loans	\$ 15,705,080	\$ 13,516,413
From investments	4,905,067	3,933,489
From revolving interests of credit cards	525,988	499,385
From due from banks and call loans to other banks	1,667,999	915,030
Others	<u>322,594</u>	<u>251,743</u>
	<u>23,126,728</u>	<u>19,116,060</u>
Interest expense		
From deposits	(13,493,150)	(11,127,574)
From due to the Central Bank and other banks	(543,332)	(502,863)
From issuing bonds payable	(170,288)	(162,838)
From lease liabilities	(17,228)	(11,432)
Others	<u>(1,081,305)</u>	<u>(687,021)</u>
	<u>(15,305,303)</u>	<u>(12,491,728)</u>
	<u>\$ 7,821,425</u>	<u>\$ 6,624,332</u>

34. SERVICE FEE AND COMMISSION INCOME, NET

	For the Three Months Ended March 31	
	2024	2023
Service fee and commission income		
From credit cards	\$ 2,642,700	\$ 2,376,181
From insurance	1,042,306	948,506
From trust business	1,700,773	1,077,245
From loans	618,915	470,602
From brokerage	853,822	554,752
Others	<u>606,283</u>	<u>526,451</u>
	<u>7,464,799</u>	<u>5,953,737</u>
Service charge and commission expenses		
From agency	(565,200)	(503,542)
From credit cards	(202,309)	(177,204)
From cross - bank transactions	(86,220)	(85,396)
From computer processing	(118,904)	(69,550)
Others	<u>(253,220)</u>	<u>(175,368)</u>
	<u>(1,225,853)</u>	<u>(1,011,060)</u>
	<u>\$ 6,238,946</u>	<u>\$ 4,942,677</u>

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

For the Three Months Ended March 31, 2024					
	Dividend Income	Interest Revenue (Expense)	Gain (Loss) on Disposal	Gain (Loss) on Valuation	Total
Financial assets mandatorily classified as at fair value through profit or loss	\$ 11,111	\$ 700,540	\$ 12,535,710	\$ (6,743,998)	\$ 6,503,363
Held-for-trading financial liabilities	-	-	(9,500,932)	4,062,088	(5,438,844)
Financial liabilities designated as at fair value through profit or loss	-	(653,966)	84	2,219,643	1,565,761
	<u>\$ 11,111</u>	<u>\$ 46,574</u>	<u>\$ 3,034,862</u>	<u>\$ (462,267)</u>	<u>\$ 2,630,280</u>
For the Three Months Ended March 31, 2023					
	Dividend Income	Interest Revenue (Expense)	Gain (Loss) on Disposal	Gain (Loss) on Valuation	Total
Financial assets mandatorily classified as at fair value through profit or loss	\$ 7,470	\$ 638,475	\$ 9,206,534	\$ (32,526,963)	\$ (22,674,484)
Held-for-trading financial liabilities	-	-	(5,973,968)	33,942,409	27,968,441
Financial liabilities designated as at fair value through profit or loss	-	(591,086)	-	(666,461)	(1,257,547)
	<u>\$ 7,470</u>	<u>\$ 47,389</u>	<u>\$ 3,232,566</u>	<u>\$ 748,985</u>	<u>\$ 4,036,410</u>

36. EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION EXPENSES

	For the Three Months Ended March 31	
	2024	2023
Employee benefits		
Salaries	\$ 3,423,356	\$ 2,979,978
Insurance	280,337	272,414
Post-employment benefits	114,075	111,844
Others	211,627	254,952
Depreciation expenses	792,538	780,931
Amortization expenses	155,891	172,697

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, 2024 and 2023, the employees' compensation were \$189,230 thousand and \$182,663 thousand, respectively; and the remuneration of directors were \$32,000 thousand and \$31,000 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, 2023 and 2022 that have been approved by ESFHC's board of directors on March 15, 2024 and February 20, 2023, respectively, were as follows:

	2023	2022
Employees' compensation - cash	\$ 186,722	\$ 1,105
Employees' compensation - stock	468,900	454,660
Remuneration of directors - cash	90,000	65,000

ESFHC announced the distribution of 18,000 thousand shares and 17,900 thousand shares as employees' compensation for 2023 and 2022, respectively, which were determined by the closing price (NT\$26.05 and NT\$25.40) 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, 2023 and 2022, respectively, were resulted from a change in the accounting estimate. The differences recognized in profit or loss for 2024 and 2023, respectively, were as follows:

	2023		2022	
	Employees' Compensation	Remuneration of Directors	Employees' Compensation	Remuneration of Directors
Amounts approved by ESFHC's board of directors	<u>\$ 655,622</u>	<u>\$ 90,000</u>	<u>\$ 455,765</u>	<u>\$ 65,000</u>
Amounts recognized in the consolidated financial statements	<u>\$ 655,622</u>	<u>\$ 100,000</u>	<u>\$ 455,765</u>	<u>\$ 73,000</u>

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

37. 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:

	For the Three Months Ended March 31	
	2024	2023
Current tax		
Current period	\$ 1,819,080	\$ 1,392,698
Prior year's adjustments	(78,199)	-
	<u>1,740,881</u>	<u>1,392,698</u>
Deferred tax		
Current period	(259,818)	96,488
Income tax expense recognized in profit or loss	<u>\$ 1,481,063</u>	<u>\$ 1,489,186</u>

b. Income tax expense recognized directly in equity

	For the Three Months Ended March 31	
	2024	2023
Current tax		
Disposals of investment in equity instruments at fair value through other comprehensive income	\$ (8,092)	\$ (684)
Deferred tax		
Disposals of investment in equity instruments at fair value through other comprehensive income	<u>8,092</u>	<u>684</u>
Income tax expense recognized in equity	<u>\$ -</u>	<u>\$ -</u>

c. Income tax recognized in other comprehensive income

	For the Three Months Ended March 31	
	2024	2023
<u>Deferred tax</u>		
In respect of the current period		
Income tax relating to items that will not be reclassified subsequently to profit or loss		
Fair value changes of financial assets in equity instruments at fair value through other comprehensive income	\$ (21,949)	\$ (1,322)
Income tax relating to items that may be reclassified subsequently to profit or loss		
Exchange differences on the translation of financial statements of foreign operations	328,935	(85,714)
Fair value changes of financial assets in debt instruments at fair value through other comprehensive income	<u>(92,775)</u>	<u>246,345</u>
Income tax expense recognized in other comprehensive income	<u>\$ 214,211</u>	<u>\$ 159,309</u>

d. 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>ESVC</u>
2018	2018	2018	2018

e. Pillar Two income tax legislation

In the governments of Vietnam and Japan, the countries where overseas branches of E.SUN Bank are registered, Pillar Two legislation is enacted or substantively enacted but not yet in effect, which has been effective since 2024. The Company will continue to review the impact of Pillar Two legislation on the Company's future financial results.

38. EARNINGS PER SHARE

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

	Amount (Numerator)	Shares (Denominator in Thousands)	Earnings Per Share (Dollars)
<u>For the three months ended March 31, 2024</u>			
Basic earnings per share	\$ 6,250,969	15,667,363	<u>\$ 0.40</u>
Effect of dilutive common shares:			
Employees' compensation	<u> -</u>	<u> 21,581</u>	
Diluted earnings per share	<u>\$ 6,250,969</u>	<u>15,688,944</u>	<u>\$ 0.40</u>
<u>For the three months ended March 31, 2023</u>			
Basic earnings per share	\$ 6,042,191	14,823,754	<u>\$ 0.41</u>
Effect of dilutive common shares:			
Employees' compensation	<u> -</u>	<u> 17,164</u>	
Diluted earnings per share	<u>\$ 6,042,191</u>	<u>14,840,918</u>	<u>\$ 0.41</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, 2023 were retrospectively adjusted as follows:

	Unit: NT\$ Per Share	
	Before Retrospective Adjustment	After Retrospective Adjustment
Basic earnings per share	<u>\$ 0.42</u>	<u>\$ 0.41</u>
Diluted earnings per share	<u>\$ 0.42</u>	<u>\$ 0.41</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.

39. EQUITY

a. Capital stock

Common stock

	March 31, 2024	December 31, 2023	March 31, 2023
Authorized number of shares (in thousands)	<u>20,000,000</u>	<u>20,000,000</u>	<u>20,000,000</u>
Authorized capital	<u>\$ 200,000,000</u>	<u>\$ 200,000,000</u>	<u>\$ 200,000,000</u>
Number of shares issued (in thousands)	<u>15,664,000</u>	<u>15,664,000</u>	<u>14,275,100</u>
Common stock issued	<u>\$ 156,640,000</u>	<u>\$ 156,640,000</u>	<u>\$ 142,751,000</u>

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

On February 20, 2023, the ESFHC's board of directors resolved to issue 800,000 thousand ordinary shares. The ESFHC has decided on \$20 per share, which increased the share capital issued. The issuance was approved by the MOEA.

In 2023, the stockholders of ESFHC resolved to use \$5,710,000 thousand from the 2022 unappropriated earnings as a stock bonus to stockholders and \$454,660 thousand from the compensation to employees by stock. The appropriations and compensation, which were a total of 588,900 thousand shares, were approved by the FSC. The issuance was approved by the 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 Depositary 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, 2024, ESFHC issued 507 thousand units (equal to 12,692 thousand shares) because of capital increase, the deposit agents reissued 5,529 thousand units (equal to 138,218 thousand shares), and the GDS holders had canceled 20,836 thousand units (equal to 520,900 thousand shares). Therefore, the outstanding GDSs were 0 thousand units, which were equal to 10 thousand shares, or 0.000064% 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, 2024, 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	2,426,308
Additional paid-in capital from ESFHC's share issuance in excess of par value	18,562,422
Share-based payment for the subscription for ESFHC's new shares by the employees of ESFHC and its subsidiaries	<u>1,126,826</u>
	40,138,286

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>\$ 35,089,397</u>

c. Special reserve

	March 31, 2024	December 31, 2023	March 31, 2023
Reclassification of the trading loss reserve and default loss reserve	\$ 164,235	\$ 164,235	\$ 164,235
The debit balance of other equity	<u>5,367,107</u>	<u>5,367,107</u>	<u>1,074,086</u>
	<u>\$ 5,531,342</u>	<u>\$ 5,531,342</u>	<u>\$ 1,238,321</u>

Under FSC guidelines, ESFHC reclassified the trading loss reserve and default loss reserve made before 2010 to special reserve. This reclassification is only allowed when in adherence to regulatory mandates, and any other usage is expressly forbidden. The special reserve from equity investments under the equity method was \$164,235 thousand.

According to Rule No. 1090150022 issued by the FSC and the directive titled “Questions and Answers for Special Reserve,” ESFHC should appropriate to or reverse from its special reserve certain specified amounts. If a contra equity account is reversed, the reversed portion of reserve could be distributed as dividends.

d. Appropriation of earnings

Under ESFHC’s Articles of Incorporation, in order to continue to strengthen the financial structure and enhance profitability while maintaining an adequate level of own capital, a residual dividend policy is adopted whereby stock dividends are distributed to preserve the required capital, and the remaining surplus is distributed in the form of cash dividends.

If made a profit in annual accounts, the profit shall be first utilized for paying all taxes, offsetting the 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 the 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. ESFHC may distribute cash dividends and (or) stock dividends in accordance with its operating strategy and future capital planning to determine the most appropriate dividend policy. 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, appropriations to the legal reserve shall be made 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. 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 appropriate retained earnings from the reversal amount.

The appropriations of earnings for 2023 and 2022 that were proposed by the board of directors on March 15, 2024 and approved by the stockholders in their meeting on June 9, 2023, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	2023	2022	2023	2022
Legal reserve	\$ 2,187,893	\$ 1,532,804		
Special reserve	(3,388,161)	4,293,021		
Cash dividends	18,796,800	2,855,020	\$1.20	\$0.19
Stock dividends	3,138,000	5,710,000	0.20	0.38

The chairman is authorized to adjust the ratios of cash and stock dividends to ESFHC's outstanding shares, should there be changes in the number of ESFHC's outstanding shares and dividends per share after the appropriation of earnings for 2023 has been approved.

The appropriation of earnings for 2023 are subject to the resolution of the stockholders' meeting. Information on earnings appropriation or deficit offsetting is available at the Market Observation Post System website of the TWSE (<http://emops.twse.com.tw>).

e. Non-controlling interests

	For the Three Months Ended March 31	
	2024	2023
Balance, January 1	\$ 176,167	\$ 164,678
Attributable to non-controlling interests:		
Net income	3,298	4,395
Exchange differences on the translation of financial statements of foreign operations	<u>178</u>	<u>(42)</u>
Balance, March 31	<u>\$ 179,643</u>	<u>\$ 169,031</u>

40. 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

Related Party	Relationship with the Company
E.SUN Foundation and E.SUN Volunteer & Social Welfare Foundation	Related parties in substance
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

	Highest Balance (Note)	Ending Balance	Interest Revenue	Ending Interest Rate (%)
<u>For the three months ended March 31, 2024</u>				
Key management	\$ 420,206	\$ 415,176	\$ 1,784	
Others	<u>4,687,511</u>	<u>4,485,428</u>	<u>19,512</u>	
	<u>\$ 5,107,717</u>	<u>\$ 4,900,604</u>	<u>\$ 21,296</u>	1.70-2.60
<u>For the three months ended March 31, 2023</u>				
Key management	\$ 372,122	\$ 347,697	\$ 1,501	
Others	<u>3,800,268</u>	<u>3,668,250</u>	<u>15,407</u>	
	<u>\$ 4,172,390</u>	<u>\$ 4,015,947</u>	<u>\$ 16,908</u>	1.50-2.47

b) Deposits

	Highest Balance (Note)	Ending Balance	Interest Expense	Ending Interest Rate (%)
<u>For the three months ended March 31, 2024</u>				
Key management	\$ 997,203	\$ 393,212	\$ 935	
Others	<u>5,872,867</u>	<u>4,272,656</u>	<u>13,064</u>	
	<u>\$ 6,870,070</u>	<u>\$ 4,665,868</u>	<u>\$ 13,999</u>	0-6.55
<u>For the three months ended March 31, 2023</u>				
Key management	\$ 1,272,752	\$ 708,317	\$ 1,472	
Others	<u>4,785,405</u>	<u>3,756,612</u>	<u>10,515</u>	
	<u>\$ 6,058,157</u>	<u>\$ 4,464,929</u>	<u>\$ 11,987</u>	0-6.00

Note: The sum of the respective highest balances of each account for the three months ended March 31, 2024 and 2023.

	March 31, 2024	December 31, 2023	March 31, 2023
2) Interest receivable (part of receivables)			
Key management	\$ 389	\$ 407	\$ 270
Others	<u>3,732</u>	<u>3,543</u>	<u>2,765</u>
	<u>\$ 4,121</u>	<u>\$ 3,950</u>	<u>\$ 3,035</u>
3) Interest payable (part of payables)			
Key management	\$ 518	\$ 369	\$ 713
Others	<u>6,260</u>	<u>5,079</u>	<u>5,205</u>
	<u>\$ 6,778</u>	<u>\$ 5,448</u>	<u>\$ 5,918</u>
		For the Three Months Ended March 31	
		<u>2024</u>	<u>2023</u>
4) Donation (part of general and administrative expenses)			
Others - E.SUN Volunteer & Social Welfare Foundation		<u>\$ 13,891</u>	<u>\$ 12,122</u>

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

- 5) E.SUN Volunteer & Social Welfare Foundation entrusted some properties to E.SUN Bank. E.SUN Bank charged \$218 thousand and \$217 thousand (part of service fee and commission income, net) accordingly for the three months ended March 31, 2024 and 2023, respectively.

The interest rates shown above are similar to, or approximate, those offered to third parties.

Under the Banking Act, 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

	Highest Balance (Note)	Ending Balance	Interest Revenue	Ending Interest Rate (%)
<u>For the three months ended March 31, 2024</u>				
Subsidiaries	\$ 3,264,612	\$ 1,600,300	\$ 35,101	
Key management	420,206	415,176	1,784	
Others	<u>4,639,307</u>	<u>4,438,159</u>	<u>19,310</u>	
	<u>\$ 8,324,125</u>	<u>\$ 6,453,635</u>	<u>\$ 56,195</u>	1.70-6.46
<u>For the three months ended March 31, 2023</u>				
Subsidiaries	\$ 4,937,436	\$ 4,785,046	\$ 66,307	
Key management	372,122	347,697	1,501	
Others	<u>3,766,467</u>	<u>3,634,512</u>	<u>15,267</u>	
	<u>\$ 9,076,025</u>	<u>\$ 8,767,255</u>	<u>\$ 83,075</u>	1.50-6.14

b) Deposits

	Highest Balance (Note)	Ending Balance	Interest Expense	Ending Interest Rate (%)
<u>For the three months ended March 31, 2024</u>				
ESFHC	\$ 6,865,606	\$ 2,780,039	\$ 4,206	
Subsidiaries	85,457	59,887	41	
Sister companies	9,512,737	4,856,961	11,193	
Key management	997,203	393,212	935	
Others	<u>5,864,085</u>	<u>4,266,548</u>	<u>13,054</u>	
	<u>\$ 23,325,088</u>	<u>\$ 12,356,647</u>	<u>\$ 29,429</u>	0-6.55
<u>For the three months ended March 31, 2023</u>				
ESFHC	\$ 457,256	\$ 306,941	\$ 307	
Subsidiaries	89,677	10,392	22	
Sister companies	2,958,733	2,733,633	7,539	
Key management	1,272,752	708,317	1,472	
Others	<u>4,776,079</u>	<u>3,747,785</u>	<u>10,506</u>	
	<u>\$ 9,554,497</u>	<u>\$ 7,507,068</u>	<u>\$ 19,846</u>	0-6.00

Note: The sum of the respective highest balances of each account for the three months ended March 31, 2024 and 2023.

	March 31, 2024	December 31, 2023	March 31, 2023
c) Call loans to banks (part of due from the Central Bank and call loans to other banks)			
ESBC	<u>\$ 7,041,320</u>	<u>\$ 7,631,820</u>	<u>\$ 7,259,815</u>
d) Call loans from banks (part of deposits from the Central Bank and other banks)			
ESBC	<u>\$ 384,072</u>	<u>\$ 676,566</u>	<u>\$ 457,170</u>
e) Deposits from banks (part of deposits from the Central Bank and other banks)			
Subsidiaries	<u>\$ 129,005</u>	<u>\$ 96,289</u>	<u>\$ 148,376</u>
f) Payables for remuneration of directors (part of payables)			
ESFHC	<u>\$ 102,000</u>	<u>\$ 80,000</u>	<u>\$ 83,000</u>
g) Consolidated tax return payables (part of current tax liabilities)			
ESFHC	<u>\$ 2,045,685</u>	<u>\$ 1,061,679</u>	<u>\$ 1,978,228</u>

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.

Under the Banking Act, 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, 2024, December 31, 2023 and March 31, 2023, respectively, were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Deposits	<u>\$ 1,287,298</u>	<u>\$ 498,944</u>	<u>\$ 391,192</u>
Financial asset at amortized cost - current	<u>\$ 207,006</u>	<u>\$ 236,506</u>	<u>\$ 272,390</u>
Deposits - futures exchange margins	<u>\$ 863,530</u>	<u>\$ 540,919</u>	<u>\$ 715,261</u>
Restricted assets - current	<u>\$ 214,000</u>	<u>\$ 244,000</u>	<u>\$ 244,000</u>
Operating deposits	<u>\$ 465,000</u>	<u>\$ 465,000</u>	<u>\$ 445,000</u>
Deposits - settlements	<u>\$ 784,814</u>	<u>\$ 311,398</u>	<u>\$ 138,685</u>
Deposits - collections for underwriting stock value	<u>\$ 567,610</u>	<u>\$ 19,263</u>	<u>\$ 350</u>

- b) E.SUN Securities entrusted to E.SUN Bank the deal settlement of securities and applied for a guarantee for overdraft amounting to both \$4,500,000 thousand as of March 31, 2024, December 31, 2023 and March 31, 2023. 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, 2024, December 31, 2023 and March 31, 2023, 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)

	March 31, 2024	December 31, 2023	March 31, 2023
ESFHC	<u>\$ 226,080</u>	<u>\$ 134,604</u>	<u>\$ 97,718</u>

3) ESVC

- Deposits each amounting to more than \$100,000 thousand in E.SUN Bank as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively, were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Deposits - E.SUN Bank (part of cash and cash equivalents and other financial assets - current)	<u>\$ 397,413</u>	<u>\$ 332,786</u>	<u>\$ 463,746</u>

d. Remuneration of key management

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

	For the Three Months Ended March 31	
	2024	2023
Salaries and other short-term employment benefits	\$ 123,316	\$ 138,357
Post-employment benefits	<u>666</u>	<u>717</u>
	<u>\$ 123,982</u>	<u>\$ 139,074</u>

41. PLEDGED ASSETS

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

	March 31, 2024	December 31, 2023	March 31, 2023
Financial assets at fair value through profit or loss (face value)	\$ -	\$ -	\$ 25,305,000
Investments in debt instruments at amortized cost (face value)	32,398,456	30,952,352	5,876,929
Investments in debt instruments at fair value through other comprehensive income (face value)	<u>8,188,210</u>	<u>7,906,455</u>	<u>8,752,752</u>
	<u>\$ 40,586,666</u>	<u>\$ 38,858,807</u>	<u>\$ 39,934,681</u>

As of March 31, 2024, December 31, 2023 and March 31, 2023, the foregoing bonds and securities, with aggregate face value of \$20,305,000 thousand at each period end, 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, 2024, December 31, 2023 and March 31, 2023. 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:

	(In Thousands of U.S. Dollars)	
Date	Pledged Amount	Collateral Value
March 31, 2024	<u>\$ 250,000</u>	<u>\$ 230,799</u>
December 31, 2023	<u>\$ 250,000</u>	<u>\$ 228,837</u>
March 31, 2023	<u>\$ 265,800</u>	<u>\$ 241,232</u>

- c. As of March 31, 2024, December 31, 2023 and March 31, 2023, UCB has provided US\$7,941 thousand, US\$5,606 thousand and US\$11,959 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.

42. 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, 2024, 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 \$2,833,417 thousand, and the remaining unpaid amount was approximately \$1,456,038 thousand.

b. E.SUN Bank (China), Ltd. (ESBC)

As of March 31, 2024, decoration of buildings and various purchases related to the improvements of existing premises occupied by ESBC amounted to approximately \$91,173 thousand, and the remaining unpaid amount was approximately \$34,649 thousand.

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.

	March 31, 2024		December 31, 2023		March 31, 2023	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
<u>Financial assets</u>						
Investments in debt instruments at amortized cost	\$ 408,195,410	\$ 402,255,155	\$ 475,610,677	\$ 471,401,163	\$ 416,758,048	\$ 411,742,153
<u>Financial liabilities</u>						
Bonds payable	45,850,000	45,123,373	48,250,000	47,621,308	45,750,000	45,233,264

Fair value hierarchy as of March 31, 2024

	Total	Level 1	Level 2	Level 3
<u>Financial assets</u>				
Investments in debt instruments at amortized cost	\$ 402,255,155	\$ 82,715,644	\$ 319,539,511	\$ -
<u>Financial liabilities</u>				
Bonds payable	45,123,373	-	45,123,373	-

Fair value hierarchy as of December 31, 2023

	Total	Level 1	Level 2	Level 3
<u>Financial assets</u>				
Investments in debt instruments at amortized cost	\$ 471,401,163	\$ 73,542,683	\$ 397,858,480	\$ -
<u>Financial liabilities</u>				
Bonds payable	47,621,308	-	47,621,308	-

Fair value hierarchy as of March 31, 2023

	Total	Level 1	Level 2	Level 3
<u>Financial assets</u>				
Investments in debt instruments at amortized cost	\$ 411,742,153	\$ 53,030,087	\$ 358,712,066	\$ -
<u>Financial liabilities</u>				
Bonds payable	45,233,264	-	45,233,264	-

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 Refinitiv on each settlement date. Fair values of interest rate swap contracts and cross-currency swap contracts are calculated using the discounted cash flow method. 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, 2024, December 31, 2023 and March 31, 2023, the discount rates used ranged from 1.279% to 1.880%, 1.149% to 1.660% and 1.145% to 1.750%, respectively, for the New Taiwan dollar and from 3.620% to 5.450%, 3.308% to 5.515% and 3.284% to 5.345%, respectively, for the U.S. dollar.

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, 2024, December 31, 2023 and March 31, 2023 were as follows:

	March 31, 2024			
	Total	Level 1	Level 2	Level 3
<u>Financial assets at fair value through profit or loss</u>				
Derivative instruments	\$ 48,586,348	\$ 316,083	\$ 48,270,265	\$ -
Equity instruments	7,420,318	5,303,305	-	2,117,013
Debt instruments	95,237,718	79,170	95,158,548	-
Others	163,281,227	223,827	163,057,400	-
<u>Financial assets at fair value through other comprehensive income</u>				
Equity instruments	24,188,320	22,526,676	-	1,661,644
Debt instruments	354,745,653	138,160,839	216,584,814	-
<u>Financial assets for hedging, net</u>				
Derivative instruments	23,315	-	23,315	-
<u>Financial liabilities at fair value through profit or loss</u>				
Derivative instruments	45,619,436	-	45,619,436	-
Financial liabilities designated as at fair value through profit or loss	43,631,782	-	43,631,782	-
<u>Financial liabilities for hedging, net</u>				
Derivative instruments	93,291	-	93,291	-
December 31, 2023				
	Total	Level 1	Level 2	Level 3
<u>Financial assets at fair value through profit or loss</u>				
Derivative instruments	\$ 41,203,526	\$ 307,772	\$ 40,895,754	\$ -
Equity instruments	6,801,579	4,749,824	-	2,051,755
Debt instruments	97,758,856	1,422,210	96,336,646	-
Others	105,662,501	136,084	105,526,417	-
<u>Financial assets at fair value through other comprehensive income</u>				
Equity instruments	18,035,378	16,408,427	-	1,626,951
Debt instruments	342,348,637	148,860,073	193,488,564	-
<u>Financial assets for hedging, net</u>				
Derivative instruments	1,583	-	1,583	-

(Continued)

	December 31, 2023			
	Total	Level 1	Level 2	Level 3
<u>Financial liabilities at fair value through profit or loss</u>				
Derivative instruments	\$ 45,211,401	\$ -	\$ 45,211,401	\$ -
Financial liabilities designated as at fair value through profit or loss	42,348,157	-	42,348,157	-
<u>Financial liabilities for hedging, net</u>				
Derivative instruments	188,495	-	188,495	-
				(Concluded)
	March 31, 2023			
	Total	Level 1	Level 2	Level 3
<u>Financial assets at fair value through profit or loss</u>				
Derivative instruments	\$ 43,299,788	\$ 310,051	\$ 42,989,737	\$ -
Equity instruments	5,804,106	3,631,274	-	2,172,832
Debt instruments	112,556,596	8,971,398	103,585,198	-
Others	159,643,848	326,836	159,317,012	-
<u>Financial assets at fair value through other comprehensive income</u>				
Equity instruments	15,876,404	14,339,515	-	1,536,889
Debt instruments	340,217,401	155,561,406	184,655,995	-
<u>Financial liabilities at fair value through profit or loss</u>				
Derivative instruments	35,008,331	-	35,008,331	-
Others	6,953	6,953	-	-
Financial liabilities designated as at fair value through profit or loss	39,413,754	-	39,413,754	-
<u>Financial liabilities for hedging, net</u>				
Derivative instruments	8,170	-	8,170	-

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, 2024 and 2023.

d. Reconciliation of the financial instruments classified in Level 3

For the three months ended March 31, 2024

	Financial Assets at FVTPL	Financial Assets at FVTOCI
	Equity Instruments	Equity Instruments
Balance at January 1, 2024	\$ 2,051,755	\$ 1,626,951
Valuation recognized in profit or loss	5,911	-
Valuation recognized in other comprehensive income	-	29,556
Acquisitions	194,660	4,266
Disposals	(121,119)	-
Transfers out of Level 3 (Note)	(14,194)	-
Change in exchange rates	<u>-</u>	<u>871</u>
Balance at March 31, 2024	<u>\$ 2,117,013</u>	<u>\$ 1,661,644</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>\$ (30,732)</u>	

For the three months ended March 31, 2023

	Financial Assets at FVTPL	Financial Assets at FVTOCI
	Equity Instruments	Equity Instruments
Balance at January 1, 2023	\$ 2,329,153	\$ 1,394,447
Valuation recognized in profit or loss	(84,309)	-
Valuation recognized in other comprehensive income	-	142,611
Acquisitions	92,525	-
Disposals	(47,269)	-
Transfers out of Level 3 (Note)	(117,268)	-
Change in exchange rates	<u>-</u>	<u>(169)</u>
Balance at March 31, 2023	<u>\$ 2,172,832</u>	<u>\$ 1,536,889</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>\$ (122,570)</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, 2024

	Fair Value	Valuation Techniques	Significant Unobservable Input	Range (Weighted-average)	The Relation Between Inputs and Fair Value
Financial assets at fair value through profit or loss Investments in equity instruments	\$ 1,123,726	Market approach	Lack of liquidity discount	-%-30%	The higher the lack of liquidity, the lower the fair value is
	993,287	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	833,031	Market approach	Lack of liquidity discount	5%-30%	The higher the lack of liquidity, the lower the fair value is
	242,128	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
	586,485	Income approach	Lack of liquidity discount; allowance of minority interest	10%-30%; -%	The higher the lack of liquidity or the higher the equity dispersion, the lower the fair value is

December 31, 2023

	Fair Value	Valuation Techniques	Significant Unobservable Input	Range (Weighted-average)	The Relation Between Inputs and Fair Value
Financial assets at fair value through profit or loss Investments in equity instruments	\$ 1,048,309	Market approach	Lack of liquidity discount	-%-30%	The higher the lack of liquidity, the lower the fair value is
	1,003,446	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	814,441	Market approach	Lack of liquidity discount	5%-30%	The higher the lack of liquidity, the lower the fair value is
	243,009	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
	569,501	Income approach	Lack of liquidity discount; allowance of minority interest	10%-30%; -%	The higher the lack of liquidity or the higher the equity dispersion, the lower the fair value is

March 31, 2023

	Fair Value	Valuation Techniques	Significant Unobservable Input	Range (Weighted-average)	The Relation Between Inputs and Fair Value
Financial assets at fair value through profit or loss					
Investments in equity instruments	\$ 1,005,545	Market approach	Lack of liquidity discount	-%-30%	The higher the lack of liquidity, the lower the fair value is
	1,167,287	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	862,766	Market approach	Lack of liquidity discount	5%-30%	The higher the lack of liquidity, the lower the fair value is
	95,231	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
	578,892	Income approach	Lack of liquidity discount; allowance of minority interest	10%-30%; -%	The higher the lack of liquidity or the higher the equity dispersion, 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, 2024

	Changes in Fair Value Reflected in Profit or Loss for the Current Period		Changes in Fair Value Reflected in Other Comprehensive Income for the Current Period	
	Favorable Changes	Unfavorable Changes	Favorable Changes	Unfavorable Changes
Financial assets at fair value through profit or loss				
Investments in equity instruments	\$ 211,701	\$ (211,701)	\$ -	\$ -
Financial assets at fair value through other comprehensive income				
Investments in equity instruments	-	-	166,164	(166,164)

December 31, 2023

	Changes in Fair Value Reflected in Profit or Loss for the Current Year		Changes in Fair Value Reflected in Other Comprehensive Income for the Current Year	
	Favorable Changes	Unfavorable Changes	Favorable Changes	Unfavorable Changes
Financial assets at fair value through profit or loss Investments in equity instruments	\$ 205,176	\$ (205,176)	\$ -	\$ -
Financial assets at fair value through other comprehensive income Investments in equity instruments	-	-	162,695	(162,695)

March 31, 2023

	Changes in Fair Value Reflected in Profit or Loss for the Current Period		Changes in Fair Value Reflected in Other Comprehensive Income for the Current Period	
	Favorable Changes	Unfavorable Changes	Favorable Changes	Unfavorable Changes
Financial assets at fair value through profit or loss Investments in equity instruments	\$ 217,283	\$ (217,283)	\$ -	\$ -
Financial assets at fair value through other comprehensive income Investments in equity instruments	-	-	153,689	(153,689)

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

	March 31, 2024	December 31, 2023	March 31, 2023
Difference between carrying amounts and the amounts due on maturity			
Fair value	\$ 43,631,782	\$ 42,348,157	\$ 39,413,754
Amounts due on maturity	<u>58,162,589</u>	<u>54,537,894</u>	<u>51,829,410</u>
	<u>\$ (14,530,807)</u>	<u>\$ (12,189,737)</u>	<u>\$ (12,415,656)</u>

	Change in Fair Values Resulting from Credit Risk Variations
Accumulated amount of change	
As of March 31, 2024	<u>\$ (3,101,586)</u>
As of December 31, 2023	<u>\$ (2,980,200)</u>
As of March 31, 2023	<u>\$ (5,030,848)</u>

The change in fair value of bank debentures 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 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, 2024, December 31, 2023 and March 31, 2023, 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 is 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 to 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 respectively.

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 tests 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, 2024

	At FVTOCI	At Amortized Cost	Total
Gross carrying amount	\$ 363,179,221	\$ 408,228,630	\$ 771,407,851
Less: Allowance for impairment loss	<u>(102,284)</u>	<u>(33,220)</u>	<u>(135,504)</u>
Amortized cost	363,076,937	<u>\$ 408,195,410</u>	771,272,347
Adjustment to fair value	<u>(8,926,442)</u>		<u>(8,926,442)</u>
	<u>\$ 354,150,495</u>		<u>\$ 762,345,905</u>

December 31, 2023

	At FVTOCI	At Amortized Cost	Total
Gross carrying amount	\$ 349,848,807	\$ 475,642,665	\$ 825,491,472
Less: Allowance for impairment loss	<u>(99,531)</u>	<u>(31,988)</u>	<u>(131,519)</u>
Amortized cost	349,749,276	<u>\$ 475,610,677</u>	825,359,953
Adjustment to fair value	<u>(7,972,008)</u>		<u>(7,972,008)</u>
	<u>\$ 341,777,268</u>		<u>\$ 817,387,945</u>

March 31, 2023

	At FVTOCI	At Amortized Cost	Total
Gross carrying amount	\$ 350,358,237	\$ 416,797,493	\$ 767,155,730
Less: Allowance for impairment loss	<u>(101,425)</u>	<u>(39,445)</u>	<u>(140,870)</u>
Amortized cost	350,256,812	<u>\$ 416,758,048</u>	767,014,860
Adjustment to fair value	<u>(10,597,717)</u>		<u>(10,597,717)</u>
	<u>\$ 339,659,095</u>		<u>\$ 756,417,143</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, 2024

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	-%-28.75%	\$ 771,407,851

December 31, 2023

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	-%-1.00%	\$ 825,491,472

March 31, 2023

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	-%-1.00%	\$ 767,127,118
Credit risk has increased significantly	The credit risk has increased significantly since initial recognition	Lifetime ECL (unimpaired)	6.90%	28,612

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, 2024

Allowance for Impairment Loss	Performing (12-Month ECL)
Balance at January 1, 2024	\$ 131,519
New financial assets purchased	21,156
Derecognition	(5,331)
Change in model or risk parameters	(12,852)
Change in exchange rates or others	<u>1,012</u>
Balance at March 31, 2024	<u>\$ 135,504</u>

For the three months ended March 31, 2023

Allowance for Impairment Loss	Credit Rating		Total
	Performing (12-Month ECL)	Credit Risk Has Increased Significantly (Expected Credit Loss and No Credit Loss During the Duration)	
Balance at January 1, 2023	\$ 143,747	\$ 999	\$ 144,746
New financial assets purchased	6,023	1,976	7,999
Derecognition	(4,352)	(1,006)	(5,358)
Change in model or risk parameters	(6,001)	-	(6,001)
Change in exchange rates or others	<u>(523)</u>	<u>7</u>	<u>(516)</u>
Balance at March 31, 2023	<u>\$ 138,894</u>	<u>\$ 1,976</u>	<u>\$ 140,870</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, 2024

	12-Month ECL	Lifetime ECL	Lifetime ECL (Credit - impaired Financial Assets)	Difference of Impairment Loss under Regulations	Total
Maximum exposure to credit risk	\$ 1,450,426,627	\$ 1,106,962	\$ 62,950	\$ -	\$ 1,451,596,539
Allowance for possible losses	(98,718)	(24,527)	(4,619)	-	(127,864)
Difference of impairment loss under regulations	-	-	-	(803,430)	(803,430)
	<u>\$ 1,450,327,909</u>	<u>\$ 1,082,435</u>	<u>\$ 58,331</u>	<u>\$ (803,430)</u>	<u>\$ 1,450,665,245</u>

December 31, 2023

	12-Month ECL	Lifetime ECL	Lifetime ECL (Credit - impaired Financial Assets)	Difference of Impairment Loss under Regulations	Total
Maximum exposure to credit risk	\$ 1,377,379,362	\$ 1,594,463	\$ 54,479	\$ -	\$ 1,379,028,304
Allowance for possible losses	(149,130)	(47,727)	(3,190)	-	(200,047)
Difference of impairment loss under regulations	-	-	-	(731,152)	(731,152)
	<u>\$ 1,377,230,232</u>	<u>\$ 1,546,736</u>	<u>\$ 51,289</u>	<u>\$ (731,152)</u>	<u>\$ 1,378,097,105</u>

March 31, 2023

	12-Month ECL	Lifetime ECL	Lifetime ECL (Credit - impaired Financial Assets)	Difference of Impairment Loss under Regulations	Total
Maximum exposure to credit risk	\$ 1,355,433,775	\$ 936,029	\$ 90,380	\$ -	\$ 1,356,460,184
Allowance for possible losses	(131,892)	(34,490)	(3,497)	-	(169,879)
Difference of impairment loss under regulations	-	-	-	(736,399)	(736,399)
	<u>\$ 1,355,301,883</u>	<u>\$ 901,539</u>	<u>\$ 86,883</u>	<u>\$ (736,399)</u>	<u>\$ 1,355,553,906</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, 2024

	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	\$ 2,413,983	\$ -	\$ -	\$ -	\$ -
Others	498,579	-	-	-	-
Discounts and loans	8,366,105	4,098,246	-	-	4,098,246

December 31, 2023

	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	\$ 2,412,795	\$ -	\$ -	\$ -	\$ -
Others	629,355	-	-	-	-
Discounts and loans	8,372,089	3,957,020	-	-	3,957,020

March 31, 2023

	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	\$ 2,534,439	\$ -	\$ -	\$ -	\$ -
Others	101,743	-	-	-	-
Discounts and loans	8,315,146	4,168,642	-	-	4,168,642

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:

Credit Risk Profile by Group or Industry	March 31, 2024		December 31, 2023		March 31, 2023	
	Amount	%	Amount	%	Amount	%
Natural person	\$ 1,070,430,426	51	\$ 1,041,146,956	50	\$ 968,984,275	50
Manufacturing	349,676,006	17	350,180,300	17	342,203,727	18
Finance, insurance and real estate	265,025,689	13	263,562,988	13	241,885,724	13
Credit Risk Profile by Regions	March 31, 2024		December 31, 2023		March 31, 2023	
	Amount	%	Amount	%	Amount	%
Domestic	\$ 1,803,600,590	86	\$ 1,772,708,588	86	\$ 1,646,543,528	85
Credit Risk Profile by Collaterals	March 31, 2024		December 31, 2023		March 31, 2023	
	Amount	%	Amount	%	Amount	%
Unsecured	\$ 522,672,495	25	\$ 517,978,198	25	\$ 484,049,287	25
Secured						
Real estate	1,360,849,762	65	1,334,280,383	65	1,269,327,535	66

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:

	March 31, 2024	December 31, 2023	March 31, 2023
Credit rating			
Strong	\$ 1,532,807,720	\$ 1,503,553,042	\$ 1,409,011,310
Medium	551,767,861	531,658,580	503,060,361
Weak	<u>38,316,088</u>	<u>36,506,877</u>	<u>23,223,667</u>
Carrying amount	2,122,891,669	2,071,718,499	1,935,295,338
Allowance for possible losses	<u>(1,229,128)</u>	<u>(1,683,370)</u>	<u>(1,575,510)</u>
	<u>\$ 2,121,662,541</u>	<u>\$ 2,070,035,129</u>	<u>\$ 1,933,719,828</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 Taipei Exchange 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

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of LIBOR with alternative, nearly risk-free rates. Under the announcement of the Financial Conduct Authority of the United Kingdom, the non-USD LIBOR and USD LIBOR 1-week and 2-month day tenors have been discontinued at the end of 2021, while the USD LIBOR other day tenors will be retired at the end of June 2023.

The risks arising from the transition relate principally to the potential impact of interest rate basis risk. E.SUN Bank and its subsidiaries have established a LIBOR transition project plan. The transition project considers product conversion, contract modification, communication between customers and investors, adjustments to systems and processes, finance and tax implications, as well as the risk model. The transition project has been implemented by the corresponding LIBOR transition response team. As of March 31, 2024, E.SUN Bank and its subsidiaries have finished the amendments to the related systems and operational processes, contract conversions with counterparties and due diligence customer rights notifications. For those parts of financial instruments for which contractual conversions have not yet been completed, negotiations and conversions will continue to ensure that the interest rate basis before and after modifications is economically appropriate.

The following table contains the details of non-derivative financial instruments held by the Company on March 31, 2024 which are subject to the reform and have not transitioned to an alternative benchmark interest rate:

	Carrying Amount
Financial assets that reference the USD LIBOR	
Discounts and loans	<u>\$ 482,821</u>
Non-derivative financial assets affected by the interest rate benchmark reform	<u>\$ 482,821</u>

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, 2024

Historical Values at Risk (99%, 10-day)	Average	Minimum	Maximum	March 31, 2024
<u>By risk type</u>				
Currency	\$ 5,206,592	\$ 4,076,781	\$ 7,713,026	\$ 7,346,137
Interest	9,398,912	5,476,745	13,362,504	10,013,736
Equity	772,690	617,219	980,088	937,161
Risk diversification	<u>(7,488,487)</u>	-	-	<u>(10,753,286)</u>
Total risk exposure	<u>\$ 7,889,707</u>			<u>\$ 7,543,748</u>

For the year ended December 31, 2023

Historical Values at Risk (99%, 10-day)	Average	Minimum	Maximum	December 31, 2023	March 31, 2023
<u>By risk type</u>					
Currency	\$ 4,694,941	\$ 3,411,299	\$ 6,037,460	\$ 5,289,840	\$ 4,359,851
Interest	10,585,185	5,476,745	14,448,128	7,351,708	12,907,608
Equity	786,216	617,219	980,088	897,969	890,978
Risk diversification	<u>(7,982,374)</u>	-	-	<u>(6,185,149)</u>	<u>(10,036,230)</u>
Total risk exposure	<u>\$ 8,083,968</u>			<u>\$ 7,354,368</u>	<u>\$ 8,122,207</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 2024, December 2023 and March 2023 were 24.50%, 25.68% and 29.61%, 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, 2024	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	\$ 35,720,492	\$ 11,843,941	\$ 490,549	\$ 2,966,725	\$ -	\$ 51,021,707
Nonderivative financial liabilities at fair value through profit or loss	7,951	-	2,269,395	-	55,885,243	58,162,589
Securities sold under repurchase agreements	9,724,699	11,217,868	1,793,316	-	-	22,735,883
Payables	14,334,842	5,205,418	3,219,353	1,855,526	9,197,736	33,812,875
Deposits and remittances	1,014,984,837	282,719,394	319,933,529	541,446,191	941,886,549	3,100,970,500
Bank debentures	-	-	-	4,100,000	32,950,000	37,050,000
Lease liabilities	79,554	172,560	276,097	526,443	3,981,771	5,036,425
Other items of cash outflow on maturity	5,114,708	6,225,122	3,622,245	1,443,763	93,661,953	110,067,791

December 31, 2023	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	\$ 31,661,876	\$ 9,414,759	\$ 1,706,936	\$ 1,469,700	\$ 1,215,424	\$ 45,468,695
Nonderivative financial liabilities at fair value through profit or loss	675,177	-	-	566,341	53,296,376	54,537,894
Securities sold under repurchase agreements	8,923,298	9,212,336	5,302,743	1,492,086	-	24,930,463
Payables	17,425,252	2,611,525	1,969,110	2,465,493	8,623,971	33,095,351
Deposits and remittances	972,012,497	330,131,302	289,224,457	518,205,951	918,440,026	3,028,014,233
Bank debentures	-	2,200,000	-	1,100,000	35,950,000	39,250,000
Lease liabilities	124,338	174,306	276,155	508,068	3,833,912	4,916,779
Other items of cash outflow on maturity	4,100,680	6,775,305	3,496,146	1,846,590	90,459,040	106,677,761

March 31, 2023	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	\$ 23,372,587	\$ 17,357,299	\$ 21,818,296	\$ 2,126,002	\$ 1,215,950	\$ 65,890,134
Nonderivative financial liabilities at fair value through profit or loss	-	-	839,181	-	50,990,229	51,829,410
Securities sold under repurchase agreements	4,371,593	1,957,981	43,471	4,306,465	4,440,323	15,119,833
Payables	24,095,881	3,467,036	1,356,150	1,365,133	115,453	30,399,653
Deposits and remittances	998,616,297	222,355,966	278,631,464	514,267,964	852,103,273	2,865,974,964
Bank debentures	-	1,500,000	-	2,200,000	36,050,000	39,750,000
Lease liabilities	53,129	168,469	274,918	511,871	3,399,944	4,408,331
Other items of cash outflow on maturity	10,986,553	3,632,749	25,047	3,139,234	82,162,614	99,946,197

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 amounts

March 31, 2024	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	\$ 69,765	\$ 69,659	\$ 74,884	\$ 38,388	\$ 17	\$ 252,713
Interest derivatives	481	1,719	925	-	-	3,125

December 31, 2023	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	\$ 130,724	\$ 148,400	\$ 50,651	\$ 135,405	\$ -	\$ 465,180
Interest derivatives	189	647	502	-	-	1,338

March 31, 2023	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	\$ 85,189	\$ 48,099	\$ 48,175	\$ 21,397	\$ -	\$ 202,860
Interest derivatives	446	192	79	-	-	717

ii. Derivative financial liabilities to be settled at gross amounts

March 31, 2024	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	\$ 203,092,044	\$ 265,232,605	\$ 189,391,212	\$ 131,462,498	\$ 4,855,835	\$ 794,034,194
Cash inflow	187,849,444	249,360,309	191,923,121	135,596,104	4,794,669	769,523,647
Interest derivatives						
Cash outflow	3,750,402	2,051,387	3,197,805	3,641,144	60,711,767	73,352,505
Cash inflow	48,032	258,255	210,630	1,640,333	40,900,202	43,057,452
Total cash outflow	206,842,446	267,283,992	192,589,017	135,103,642	65,567,602	867,386,699
Total cash inflow	187,897,476	249,618,564	192,133,751	137,236,437	45,694,871	812,581,099
Net cash outflow (inflow)	\$ 18,944,970	\$ 17,665,428	\$ 455,266	\$ (2,132,795)	\$ 19,872,731	\$ 54,805,600

December 31, 2023	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	\$ 198,015,970	\$ 297,659,935	\$ 163,897,636	\$ 194,540,796	\$ 4,182,581	\$ 858,296,918
Cash inflow	191,442,810	289,283,437	160,477,712	194,391,172	4,257,231	839,852,362
Interest derivatives						
Cash outflow	2,616,643	1,630,636	2,629,911	3,974,745	53,929,699	64,781,634
Cash inflow	780,867	250,603	739,273	1,006,782	41,824,750	44,602,275
Total cash outflow	200,632,613	299,290,571	166,527,547	198,515,541	58,112,280	923,078,552
Total cash inflow	192,223,677	289,534,040	161,216,985	195,397,954	46,081,981	884,454,637
Net cash outflow	\$ 8,408,936	\$ 9,756,531	\$ 5,310,562	\$ 3,117,587	\$ 12,030,299	\$ 38,623,915

March 31, 2023	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	\$ 221,207,511	\$ 194,918,514	\$ 128,859,856	\$ 230,724,860	\$ 5,428,450	\$ 781,139,191
Cash inflow	217,168,628	191,127,044	126,828,677	227,227,031	5,293,415	767,644,795
Interest derivatives						
Cash outflow	1,227,115	991,982	2,162,226	2,602,361	19,515,848	26,499,532
Cash inflow	2,533,255	160,980	39,105	430,736	6,716,008	9,880,084
Total cash outflow	222,434,626	195,910,496	131,022,082	233,327,221	24,944,298	807,638,723
Total cash inflow	219,701,883	191,288,024	126,867,782	227,657,767	12,009,423	777,524,879
Net cash outflow	\$ 2,732,743	\$ 4,622,472	\$ 4,154,300	\$ 5,669,454	\$ 12,934,875	\$ 30,113,844

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, 2024	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Irrevocable loan commitments issued	\$ 48,548	\$ 1,889,973	\$ 7,649,002	\$ 9,933,714	\$ 66,728,055	\$ 86,249,292
Credit card commitments	4,182,628	5,793,407	14,809,795	28,044,059	564,190,449	617,020,338
Letters of credit issued and yet unused	2,707,940	4,429,050	826,188	403,374	649,251	9,015,803
Other guarantees	3,615,059	4,711,358	4,016,591	2,866,214	7,643,420	22,852,642

December 31, 2023	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Irrevocable loan commitments issued	\$ 842,875	\$ 592,576	\$ 2,140,232	\$ 13,215,201	\$ 55,407,401	\$ 72,198,285
Credit card commitments	3,184,429	3,440,276	11,961,760	32,310,116	561,665,506	612,562,087
Letters of credit issued and yet unused	1,865,307	4,725,701	1,005,750	290,955	663,002	8,550,715
Other guarantees	4,060,260	2,966,608	3,737,237	4,439,370	7,870,234	23,073,709

March 31, 2023	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Irrevocable loan commitments issued	\$ 1,716,177	\$ 1,099,177	\$ 11,145,538	\$ 6,294,740	\$ 48,396,106	\$ 68,651,738
Credit card commitments	1,824,097	2,614,874	7,081,107	16,287,133	473,665,595	501,472,806
Letters of credit issued and yet unused	2,954,343	4,396,231	1,826,516	1,599,024	14,600	10,790,714
Other guarantees	6,417,967	5,755,488	2,320,339	5,344,614	6,006,878	25,845,286

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:

March 31, 2024					
Category of Financial Assets	Carrying Amount of Transferred Financial Assets	Carrying Amount of Associated Financial Liabilities	Fair Value of Transferred Financial Assets	Fair Value of Associated Financial Liabilities	Fair Value of Net Position
Investments in debt instruments at FVTOCI - securities sold under repurchase agreements	\$ 18,500,456	\$ 17,002,041	\$ 18,500,456	\$ 17,002,041	\$ 1,498,415
Investments in debt instruments at amortized cost - securities sold under repurchase agreements	5,789,858	5,551,021	5,716,746	5,551,021	165,725

December 31, 2023					
Category of Financial Assets	Carrying Amount of Transferred Financial Assets	Carrying Amount of Associated Financial Liabilities	Fair Value of Transferred Financial Assets	Fair Value of Associated Financial Liabilities	Fair Value of Net Position
Investments in debt instruments at FVTOCI - securities sold under repurchase agreements	\$ 21,086,679	\$ 18,714,547	\$ 21,086,679	\$ 18,714,547	\$ 2,372,132
Investments in debt instruments at amortized cost - securities sold under repurchase agreements	6,243,347	5,964,175	6,169,506	5,964,175	205,331

March 31, 2023					
Category of Financial Assets	Carrying Amount of Transferred Financial Assets	Carrying Amount of Associated Financial Liabilities	Fair Value of Transferred Financial Assets	Fair Value of Associated Financial Liabilities	Fair Value of Net Position
Investments in debt instruments at FVTOCI - securities sold under repurchase agreements	\$ 15,840,101	\$ 14,469,738	\$ 15,840,101	\$ 14,469,738	\$ 1,370,363
Investments in debt instruments at amortized cost - securities sold under repurchase agreements	661,074	596,195	676,839	596,195	80,644

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, 2024

Financial Assets	Gross Amounts of Recognized Financial Assets	Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheet	Net Amounts of Financial Assets Presented in the Balance Sheet	Related Amounts Not Offset in the Balance Sheet		Net Amounts
				Financial Instruments	Cash Collateral Received	
Derivatives	\$ 48,586,348	\$ -	\$ 48,586,348	\$ (22,494,554)	\$ (4,646,582)	\$ 21,445,212
Resell agreements	10,175,979	-	10,175,979	(10,175,979)	-	-
Settlements	15,997	(9,980)	6,017	-	-	6,017
	<u>\$ 58,778,324</u>	<u>\$ (9,980)</u>	<u>\$ 58,768,344</u>	<u>\$ (32,670,533)</u>	<u>\$ (4,646,582)</u>	<u>\$ 21,451,229</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	\$ 45,619,436	\$ -	\$ 45,619,436	\$ (22,494,554)	\$ (14,721,711)	\$ 8,403,171
Repurchase agreements	22,660,444	-	22,660,444	(17,362,846)	-	5,297,598
Settlements	69,867	(21,237)	48,630	-	-	48,630
	<u>\$ 68,349,747</u>	<u>\$ (21,237)</u>	<u>\$ 68,328,510</u>	<u>\$ (39,857,400)</u>	<u>\$ (14,721,711)</u>	<u>\$ 13,749,399</u>

December 31, 2023

Financial Assets	Gross Amounts of Recognized Financial Assets	Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheet	Net Amounts of Financial Assets Presented in the Balance Sheet	Related Amounts Not Offset in the Balance Sheet		Net Amounts
				Financial Instruments	Cash Collateral Received	
Derivatives	\$ 41,203,526	\$ -	\$ 41,203,526	\$ (24,741,617)	\$ (3,451,764)	\$ 13,010,145
Resell agreements	8,101,260	-	8,101,260	(8,101,260)	-	-
Settlements	13,140	(7,301)	5,839	-	-	5,839
	<u>\$ 49,317,926</u>	<u>\$ (7,301)</u>	<u>\$ 49,310,625</u>	<u>\$ (32,842,877)</u>	<u>\$ (3,451,764)</u>	<u>\$ 13,015,984</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	\$ 45,211,401	
Repurchase agreements	24,817,038	-	24,817,038	(24,817,038)	-	-
Settlements	<u>50,111</u>	<u>(698)</u>	<u>49,413</u>	<u>-</u>	<u>-</u>	<u>49,413</u>
	<u>\$ 70,078,550</u>	<u>\$ (698)</u>	<u>\$ 70,077,852</u>	<u>\$ (49,558,655)</u>	<u>\$ (12,906,187)</u>	<u>\$ 7,613,010</u>

March 31, 2023

Financial Assets	Gross Amounts of Recognized Financial Assets	Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheet	Net Amounts of Financial Liabilities Presented in the Balance Sheet	Related Amounts Not Offset in the Balance Sheet		Net Amounts
				Financial Instruments	Cash Collateral Received	
				Derivatives	\$ 43,299,788	
Resell agreements	99,760	-	99,760	(99,760)	-	-
Settlements	<u>58,395</u>	<u>(43,974)</u>	<u>14,421</u>	<u>-</u>	<u>-</u>	<u>14,421</u>
	<u>\$ 43,457,943</u>	<u>\$ (43,974)</u>	<u>\$ 43,413,969</u>	<u>\$ (23,637,906)</u>	<u>\$ (5,216,562)</u>	<u>\$ 14,559,501</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	\$ 35,008,331	
Repurchase agreements	15,102,870	-	15,102,870	(12,885,164)	-	2,217,706
Settlements	<u>41,421</u>	<u>(30,950)</u>	<u>10,471</u>	<u>-</u>	<u>-</u>	<u>10,471</u>
	<u>\$ 50,152,622</u>	<u>\$ (30,950)</u>	<u>\$ 50,121,672</u>	<u>\$ (36,423,310)</u>	<u>\$ (10,068,783)</u>	<u>\$ 3,629,579</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 ended March 31, 2024				
Others	<u>\$ 1,055</u>	<u>\$ 141</u>	<u>\$ 1,196</u>	50% each or based on space actually occupied
For the three months ended March 31, 2023				
Others	<u>\$ 64</u>	<u>\$ 62</u>	<u>\$ 126</u>	50% each or based on space actually occupied

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

	For the Three Months Ended March 31	
	2024	2023
Revenue	<u>\$ 1,281</u>	<u>\$ 1,056</u>
Expense	<u>\$ 42,809</u>	<u>\$ 37,517</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 Act 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, 2024				March 31, 2023		
Rank (Note 1)	Industry of Group Enterprise (Note 2)	Total Amount of Credit Endorsement or Other Transactions (Note 3)	Percentage of Current Period's Equity	Industry of Group Enterprise (Note 2)	Total Amount of Credit Endorsement or Other Transactions (Note 3)	Percentage of Current Period's Equity
1	Group A Manufacture of other electronic parts and components not elsewhere classified	\$ 10,254,362	4.32	Group B Real estate development	\$ 9,479,400	4.78
2	Group B Real estate development	9,120,700	3.84	Group A Manufacture of other electronic parts and components not elsewhere classified	8,814,241	4.45
3	Group C Other holding companies	8,468,200	3.57	Group D Activities of head offices	6,961,356	3.51
4	Group D Activities of head offices	7,575,300	3.19	Company E Real estate activities for sale and rental with own or leased property	6,763,383	3.41
5	Company E Real estate activities for sale and rental with own or leased property	6,925,975	2.92	Group J Manufacture of integrated circuits	6,541,076	3.30
6	Group F Car rental and leasing	6,746,040	2.84	Group G Quarrying of rocks and gravel and other mining	6,206,200	3.13
7	Group G Quarrying of rocks and gravel and other mining	5,826,482	2.46	Group K Manufacture of computers	5,732,848	2.89
8	Group H Wholesale of computers, computer peripheral equipment and software	5,680,510	2.39	Group L Packaging and testing of semi-conductors	5,574,808	2.81
9	Group I Financial leasing	5,450,172	2.30	Group H Wholesale of computers, computer peripheral equipment and software	5,328,235	2.69
10	Group J Manufacture of integrated circuits	5,046,591	2.13	Group M Other holding companies	5,263,429	2.65

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, 2024

Items	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest rate-sensitive assets	\$ 2,120,577,125	\$ 93,124,605	\$ 37,559,710	\$ 130,704,526	\$ 2,381,965,966
Interest rate-sensitive liabilities	1,693,161,751	127,808,987	200,547,478	129,263,764	2,150,781,980
Interest rate sensitivity gap	427,415,374	(34,684,382)	(162,987,768)	1,440,762	231,183,986
Net worth					209,296,913
Ratio of interest rate-sensitive assets to liabilities					110.75
Ratio of interest rate sensitivity gap to net worth					110.46

March 31, 2023

Items	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest rate-sensitive assets	\$ 1,952,755,655	\$ 68,627,985	\$ 90,158,005	\$ 142,649,586	\$ 2,254,191,231
Interest rate-sensitive liabilities	1,599,254,429	78,973,049	152,953,963	121,106,914	1,952,288,355
Interest rate sensitivity gap	353,501,226	(10,345,064)	(62,795,958)	21,542,672	301,902,876
Net worth					181,102,495
Ratio of interest rate-sensitive assets to liabilities					115.46
Ratio of interest rate sensitivity gap to net worth					166.70

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, 2024

Items	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest rate-sensitive assets	\$ 17,143,213	\$ 1,532,698	\$ 1,482,877	\$ 4,520,641	\$ 24,679,429
Interest rate-sensitive liabilities	21,045,921	4,129,885	4,689,317	1,668,027	31,533,150
Interest rate sensitivity gap	(3,902,708)	(2,597,187)	(3,206,440)	2,852,614	(6,853,721)
Net worth					198,998
Ratio of interest rate-sensitive assets to liabilities					78.27
Ratio of interest rate sensitivity gap to net worth					(3,444.12)

March 31, 2023

Items	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest rate-sensitive assets	\$ 15,748,817	\$ 1,240,132	\$ 569,114	\$ 3,340,350	\$ 20,898,413
Interest rate-sensitive liabilities	22,758,276	3,601,888	3,505,625	1,544,983	31,410,772
Interest rate sensitivity gap	(7,009,459)	(2,361,756)	(2,936,511)	1,795,367	(10,512,359)
Net worth					104,776
Ratio of interest rate-sensitive assets to liabilities					66.53
Ratio of interest rate sensitivity gap to net worth					(10,033.17)

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, 2024	March 31, 2023
Return on total assets	Before income tax	0.84	0.87
	After income tax	0.68	0.70
Return on equity	Before income tax	12.84	15.00
	After income tax	10.38	12.03
Net income ratio		35.77	38.27

2) E.SUN Financial Holding Company, Ltd.

Unit: %

Items		March 31, 2024	March 31, 2023
Return on total assets	Before income tax	9.88	11.57
	After income tax	9.84	11.55
Return on equity	Before income tax	10.42	12.06
	After income tax	10.38	12.04
Net income ratio		98.54	98.58

3) E.SUN Bank

Unit: %

Items		March 31, 2024	March 31, 2023
Return on total assets	Before income tax	0.78	0.82
	After income tax	0.63	0.66
Return on equity	Before income tax	11.89	14.18
	After income tax	9.68	11.29
Net income ratio		35.89	38.26

4) E.SUN Securities

Unit: %

Items		March 31, 2024	March 31, 2023
Return on total assets	Before income tax	7.78	7.20
	After income tax	6.50	6.18
Return on equity	Before income tax	27.65	19.22
	After income tax	23.09	16.48
Net income ratio		44.58	40.53

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, 2024

	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	\$ 2,900,042,660	\$ 358,900,000	\$ 276,248,470	\$ 195,648,309	\$ 173,945,384	\$ 157,188,686	\$ 1,738,111,811
Main capital outflow on maturity	3,559,574,444	122,642,702	172,222,448	391,068,910	509,478,136	773,158,298	1,591,003,950
Gap	(659,531,784)	236,257,298	104,026,022	(195,420,601)	(335,532,752)	(615,969,612)	147,107,861

March 31, 2023

	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	\$ 2,740,212,496	\$ 251,265,104	\$ 277,743,752	\$ 227,113,799	\$ 151,402,644	\$ 249,235,732	\$ 1,583,451,465
Main capital outflow on maturity	3,327,321,788	129,270,503	211,210,511	386,508,587	413,608,490	775,901,057	1,410,822,640
Gap	(587,109,292)	121,994,601	66,533,241	(159,394,788)	(262,205,846)	(526,665,325)	172,628,825

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, 2024

	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	\$ 59,607,770	\$ 13,282,710	\$ 13,414,305	\$ 9,249,350	\$ 8,309,534	\$ 15,351,871
Main capital outflow on maturity	70,602,302	15,996,932	20,063,625	14,269,003	15,205,860	5,066,882
Gap	(10,994,532)	(2,714,222)	(6,649,320)	(5,019,653)	(6,896,326)	10,284,989

March 31, 2023

	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	\$ 57,403,708	\$ 14,950,372	\$ 11,856,372	\$ 6,107,318	\$ 10,576,256	\$ 13,913,390
Main capital outflow on maturity	67,233,751	15,234,545	18,727,852	11,826,573	17,786,900	3,657,881
Gap	(9,830,043)	(284,173)	(6,871,480)	(5,719,255)	(7,210,644)	10,255,509

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

Note 2: If overseas assets exceed 10% of E.SUN Bank total assets, supplementary information shall be disclosed.

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

(In Thousands of U.S. Dollars)

March 31, 2024

	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	\$ 14,407,126	\$ 3,501,768	\$ 2,512,990	\$ 1,394,654	\$ 1,897,311	\$ 5,100,403
Main capital outflow on maturity	15,692,418	4,550,130	5,038,302	2,605,456	2,453,664	1,044,866
Gap	(1,285,292)	(1,048,362)	(2,525,312)	(1,210,802)	(556,353)	4,055,537

March 31, 2023

	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	\$ 13,897,270	\$ 3,323,121	\$ 2,362,615	\$ 1,625,108	\$ 1,731,881	\$ 4,854,545
Main capital outflow on maturity	14,632,860	4,168,536	4,322,816	2,671,933	2,794,293	675,282
Gap	(735,590)	(845,415)	(1,960,201)	(1,046,825)	(1,062,412)	4,179,263

47. E.SUN BANK'S TRUST BUSINESS UNDER THE TRUST ENTERPRISE ACT

- 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 Division. However, these items were not included in the Company's consolidated financial statements.

Balance Sheets of Trust Accounts
March 31, 2024, December 31, 2023 and March 31, 2023

Trust Assets	March 31, 2024	December 31,		Trust Liabilities	March 31, 2024	December 31,	
		2023	March 31, 2023			2023	March 31, 2023
Cash in banks	\$ 22,435,783	\$ 20,604,709	\$ 11,396,917	Accounts payable on administrative expense	\$ 13	\$ 12	\$ 4
Investments	363,134,008	341,089,139	318,860,066	Accounts payable on securities under custody	1,033,038,027	891,757,626	723,691,586
Receivables	357	301	280	Trust capital			
Real estate	8,665,406	8,715,595	7,054,588	Cash	382,724,112	358,910,211	325,868,893
Securities under custody	<u>1,033,038,027</u>	<u>891,757,626</u>	<u>723,691,586</u>	Securities	6,489,383	6,121,294	5,754,070
				Real estate	8,933,310	8,996,905	7,148,917
				Reserves and accumulated deficit	(7,912,448)	(13,794,115)	(3,667,373)
				Net income	<u>4,001,184</u>	<u>10,175,437</u>	<u>2,207,340</u>
Total assets	<u>\$ 1,427,273,581</u>	<u>\$ 1,262,167,370</u>	<u>\$ 1,061,003,437</u>	Total liabilities	<u>\$ 1,427,273,581</u>	<u>\$ 1,262,167,370</u>	<u>\$ 1,061,003,437</u>

Note: Investments of the OBU are included in total trust-related assets. As of March 31, 2024, December 31, 2023 and March 31, 2023, the amounts of the OBU's investments were \$26,731,411 thousand, \$24,823,794 thousand and \$25,340,447 thousand, respectively.

Trust Property List
March 31, 2024, December 31, 2023 and March 31, 2023

	March 31, 2024	December 31, 2023	March 31, 2023
Cash in E.SUN Bank	\$ 22,426,271	\$ 20,595,037	\$ 11,380,644
Cash in other banks	9,512	9,672	16,273
Stocks	21,155,542	20,805,517	22,086,224
Mutual funds	254,693,039	243,139,995	235,980,491
Bonds	75,340,790	67,960,107	54,703,478
Structured products	11,849,954	9,012,739	5,971,933
Beneficial certificates pending settlement	94,683	170,781	117,940
Receivables	357	301	280
Real estate	8,665,406	8,715,595	7,054,588
Securities under custody	<u>1,033,038,027</u>	<u>891,757,626</u>	<u>723,691,586</u>
	<u>\$ 1,427,273,581</u>	<u>\$ 1,262,167,370</u>	<u>\$ 1,061,003,437</u>

Statements of Income on Trust Accounts
For the Three Months Ended March 31, 2024 and 2023

	For the Three Months Ended March 31	
	2024	2023
<u>Revenues</u>		
Interest	\$ 56,423	\$ 22,451
Cash dividends	3,334,942	2,728,055
Realized capital gain - common stocks	112	86
Property gain	1,824,340	841,896
Realized capital gain - bonds	1,130,847	796,639
Realized capital gain - mutual funds	101,347	74,732
Unrealized capital gain - common stocks	24,619	9,781
Other revenues	14,000	-
Revenues from beneficial certificates	<u>16,174</u>	<u>14,602</u>
Total revenues	<u>6,502,804</u>	<u>4,488,242</u>
<u>Expenses</u>		
Management fees	67,399	84,864
Supervisor fees	5	5
Service fees	744	95
Property loss	2,380,616	2,148,441
Income tax	2,795	585
Other expenses	29,692	4,446
Realized capital loss - bonds	-	540
Realized capital loss - common stocks	99	-
Realized capital loss - mutual funds	<u>20,270</u>	<u>41,926</u>
Total expenses	<u>2,501,620</u>	<u>2,280,902</u>
Net income	<u>\$ 4,001,184</u>	<u>\$ 2,207,340</u>

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

48. CASH FLOW INFORMATION

Changes in Liabilities Arising from Financing Activities

For the three months ended March 31, 2024

			Non-cash Changes			
	Opening Balance	Cash Inflows (Outflows)	New Leases	Fair Value Adjustments (Including Changes in the Fair Value Attributable to Changes in the Credit Risk)	Others	Closing Balance
Short-term borrowings	\$ 30,753	\$ (31,442)	\$ -	\$ -	\$ 689	\$ -
Commercial paper issued	9,091,916	695,000	-	-	(1,510)	9,785,406
Bonds payable	48,250,000	(2,400,000)	-	-	-	45,850,000
Long-term borrowings	351,463	(2,246)	-	-	14,280	363,497
Financial liabilities designated as at fair value through profit or loss - bank debentures	42,348,157	751,651	-	(2,341,025)	2,872,999	43,631,782
Guarantee deposits received	2,404,814	1,010,078	-	-	-	3,414,892
Lease liabilities	4,617,337	(342,821)	230,058	-	49,101	4,553,675
	<u>\$ 107,094,440</u>	<u>\$ (319,780)</u>	<u>\$ 230,058</u>	<u>\$ (2,341,025)</u>	<u>\$ 2,935,559</u>	<u>\$ 107,599,252</u>

For the three months ended March 31, 2023

			Non-cash Changes			
	Opening Balance	Cash Inflows (Outflows)	New Leases	Fair Value Adjustments (Including Changes in the Fair Value Attributable to Changes in the Credit Risk)	Others	Closing Balance
Short-term borrowings	\$ 3,140,581	\$ (659,543)	\$ -	\$ -	\$ (25,572)	\$ 2,455,466
Commercial paper issued	1,739,403	2,230,000	-	-	(1,711)	3,967,692
Bonds payable	43,850,000	1,900,000	-	-	-	45,750,000
Long-term borrowings	359,910	(2,174)	-	-	(2,885)	354,851
Financial liabilities designated as at fair value through profit or loss - bank debentures	37,805,089	-	-	1,429,913	178,752	39,413,754
Guarantee deposits received	7,187,919	(2,930,789)	-	-	-	4,257,130
Lease liabilities	4,303,812	(336,584)	256,066	-	4,820	4,228,114
	<u>\$ 98,386,714</u>	<u>\$ 200,910</u>	<u>\$ 256,066</u>	<u>\$ 1,429,913</u>	<u>\$ 153,404</u>	<u>\$ 100,427,007</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 or 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: Table 9 (attached).
 - 9) Sale of nonperforming loans by subsidiaries: Table 10 (attached).
 - 10) Receivables from related parties amounting to at least NT\$300 million or 10% of the paid-in capital: Table 11 (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 12 (attached).
- d. Business relationship and significant transactions among the parent company and subsidiaries: Table 13 (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 14 (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)

	For the Three Months Ended March 31, 2024				
	Corporate Banking Unit	Individual Banking Unit	Overseas Branches and Subsidiaries	Others	Total
Net interest revenues (expenses)	<u>\$ 8,345</u>	<u>\$ 7,592</u>	<u>\$ 2,535</u>	<u>\$ (10,651)</u>	<u>\$ 7,821</u>
Total net revenues (expenses)	\$ 5,827	\$ 12,277	\$ 3,355	\$ (3,972)	\$ 17,487
Reversal of (provision for) bad-debt expenses and reversal of (provision for) losses on commitments and guarantees	13	(568)	(75)	258	(372)
Operating expenses	<u>(1,436)</u>	<u>(6,200)</u>	<u>(807)</u>	<u>(937)</u>	<u>(9,380)</u>
Income (loss) before income tax	<u>\$ 4,404</u>	<u>\$ 5,509</u>	<u>\$ 2,473</u>	<u>\$ (4,651)</u>	<u>\$ 7,735</u>
	For the Three Months Ended March 31, 2023				
	Corporate Banking Unit	Individual Banking Unit	Overseas Branches and Subsidiaries	Others	Total
Net interest revenues (expenses)	<u>\$ 7,487</u>	<u>\$ 6,764</u>	<u>\$ 2,347</u>	<u>\$ (9,974)</u>	<u>\$ 6,624</u>
Total net revenues (expenses)	\$ 5,578	\$ 10,740	\$ 2,946	\$ (3,464)	\$ 15,800
Reversal of (provision for) bad-debt expenses and reversal of (provision for) losses on commitments and guarantees	126	(187)	(4)	67	2
Operating expenses	<u>(1,406)</u>	<u>(5,387)</u>	<u>(726)</u>	<u>(747)</u>	<u>(8,266)</u>
Income (loss) before income tax	<u>\$ 4,298</u>	<u>\$ 5,166</u>	<u>\$ 2,216</u>	<u>\$ (4,144)</u>	<u>\$ 7,536</u>

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

CONSOLIDATED ENTITIES

MARCH 31, 2024, DECEMBER 31, 2023 AND MARCH 31, 2023

Entities Included in the Consolidated Financial Statements

Investor Company	Investee Company	Location	Businesses and Products	Percentage of Ownership (%)			Note
				March 31, 2024	December 31, 2023	March 31, 2023	
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, 2024 AND 2023
(In Thousands of New Taiwan Dollars)**

Loans

March 31, 2024

Type	Account Volume or Name	Highest Balance for the Three Months Ended March 31, 2024 (Note)	Ending Balance	Loan Classification		Collateral	Differences in Terms of Transaction from Those for Unrelated Parties
				Normal Loans	Nonperforming Loans		
Consumer loans	125	\$ 65,843	\$ 58,960	\$ 58,960	\$ -	Land and buildings as collateral for part of the loans	None
Self-used residential mortgage	438	3,535,138	3,216,350	3,216,350	-	Land and buildings	None
Other loans	Others	1,702,804	1,625,294	1,625,294	-	Land, buildings and plant	None

March 31, 2023

Type	Account Volume or Name	Highest Balance for the Three Months Ended March 31, 2023 (Note)	Ending Balance	Loan Classification		Collateral	Differences in Terms of Transaction from Those for Unrelated Parties
				Normal Loans	Nonperforming Loans		
Consumer loans	74	\$ 34,480	\$ 29,949	\$ 29,949	\$ -	Land and buildings as collateral for part of the loans	None
Self-used residential mortgage	421	3,065,338	2,843,488	2,843,488	-	Land and buildings	None
Other loans	Others	1,239,007	1,142,510	1,142,510	-	Land, buildings and plant	None

Note: The sum of the respective highest balances of each account for the three months ended March 31, 2024 and 2023.

E.SUN COMMERCIAL BANK, LTD. AND SUBSIDIARIES

INFORMATION ON FOREIGN-CURRENCY FINANCIAL ASSETS AND LIABILITIES WITH SIGNIFICANT EFFECT

MARCH 31, 2024, DECEMBER 31, 2023 AND MARCH 31, 2023

(In Thousands)

	March 31, 2024			December 31, 2023			March 31, 2023		
	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	\$ 29,211,258	32.0060	\$ 934,935,524	\$ 27,168,987	30.7530	\$ 835,527,857	\$ 24,639,819	30.4780	\$ 750,972,403
CNY	32,109,030	4.4109	141,629,720	26,517,228	4.3308	114,840,811	26,048,535	4.4337	115,491,390
AUD	5,981,995	20.8300	124,604,956	5,989,473	21.0160	125,874,765	6,558,221	20.3410	133,400,773
Non-monetary items									
USD	805,499	32.0060	25,780,801	808,447	30.7530	24,862,171	829,130	30.4780	25,270,224
CNY	71,999	4.4109	317,580	171,499	4.3308	742,728	146,874	4.4337	651,195
AUD	10,087	20.8300	210,112	2,526	21.0160	53,086	4,267	20.3410	86,795
<u>Financial liabilities</u>									
Monetary items									
USD	\$ 36,918,215	32.0060	\$ 1,181,604,389	\$ 36,294,912	30.7530	\$ 1,116,177,429	\$ 35,929,066	30.4780	\$ 1,095,046,074
CNY	26,207,966	4.4109	115,600,717	21,204,000	4.3308	91,830,283	25,679,403	4.4337	113,854,769
AUD	2,957,035	20.8300	61,595,039	2,819,796	21.0160	59,260,833	3,092,168	20.3410	62,897,789
Non-monetary items									
USD	624,138	32.0060	19,976,161	644,956	30.7530	19,834,332	558,682	30.4780	17,027,510
CNY	91,410	4.4109	403,200	137,979	4.3308	597,559	66,258	4.4337	293,768
AUD	4,527	20.8300	94,297	41,180	21.0160	865,439	3,756	20.3410	76,401

E.SUN COMMERCIAL BANK, LTD.

ASSET QUALITY - NONPERFORMING LOANS AND RECEIVABLES
MARCH 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, %)

Period		March 31, 2024					March 31, 2023				
		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	\$ 1,504,386	\$ 487,432,055	0.31	\$ 5,717,045	380.03	\$ 1,509,746	\$ 468,326,029	0.32	\$ 5,357,918	354.89
	Unsecured	225,119	520,778,558	0.04	5,660,921	2,514.63	305,869	458,800,932	0.07	4,964,480	1,623.07
Consumer banking	Residential mortgage (Note 4)	238,437	583,222,113	0.04	8,518,286	3,572.55	230,220	530,668,428	0.04	7,759,026	3,370.27
	Cash card	-	396	-	7	-	-	652	-	11	-
	Small-scale credit loans (Note 5)	1,077,710	119,751,371	0.90	1,628,648	151.12	1,080,882	125,807,231	0.86	1,670,017	154.51
	Other (Note 6)	Secured	229,859	364,342,233	0.06	3,697,604	1,608.64	171,081	310,516,388	0.06	3,168,364
Unsecured		-	2,785,801	-	30,517	-	-	2,686,951	-	29,250	-
Loan		3,275,511	2,078,312,527	0.16	25,253,028	770.96	3,297,798	1,896,806,611	0.17	22,949,066	695.89
		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		260,958	91,432,827	0.29	692,987	265.55	173,788	83,890,679	0.21	841,778	484.37
Accounts receivable factored without recourse (Note 7)		-	9,338,504	-	144,182	-	-	8,784,139	-	116,644	-
Amounts of executed contracts on negotiated debts not reported as nonperforming loans (Note 8)		2,252					3,335				
Amounts of executed contracts on negotiated debts not reported as nonperforming receivables (Note 8)		9,154					10,394				
Amounts of executed debt-restructuring projects not reported as nonperforming loans (Note 9)		1,248,693					1,227,299				
Amounts of executed debt-restructuring projects not reported as nonperforming receivables (Note 9)		1,461,053					1,544,331				

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, 2024, DECEMBER 31, 2023 AND MARCH 31, 2023

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, 2024	2023	March 31, 2023		March 31, 2024	2023	March 31, 2023
Cash and cash equivalents	\$ 2,750,772	\$ 5,846,307	\$ 272,472	Payables	\$ 564,925	\$ 861,114	\$ 330,462
Financial assets at fair value through other comprehensive income	153,226	135,708	121,779	Current tax liabilities	2,549,947	1,406,174	2,238,374
Receivables	122,124	95,240	140,742	Corporate bonds payable	8,800,000	9,000,000	6,000,000
Current tax assets	2,275,441	1,196,646	2,129,699	Commercial paper	-	2,795,744	-
Investments under the equity method	251,993,112	242,998,891	210,557,279	Lease liabilities	143,205	147,904	149,877
Property and equipment, net	882	940	2,176	Other financial liabilities	-	-	62
Right-of-use assets	137,525	142,362	145,088	Total liabilities	<u>12,058,077</u>	<u>14,210,936</u>	<u>8,718,775</u>
Intangible assets	867	1,192	2,167	Equity			
Deferred tax assets	2,942	4,209	3,055	Capital stock	156,820,000	156,640,000	142,930,000
Other assets	<u>64,700</u>	<u>37,121</u>	<u>58,685</u>	Capital surplus	35,089,397	34,800,497	26,345,824
				Retained earnings	53,222,039	46,786,129	39,626,840
				Other equity	<u>312,078</u>	<u>(1,978,946)</u>	<u>(4,188,297)</u>
				Total equity	<u>245,443,514</u>	<u>236,247,680</u>	<u>204,714,367</u>
Total	<u>\$ 257,501,591</u>	<u>\$ 250,458,616</u>	<u>\$ 213,433,142</u>	Total	<u>\$ 257,501,591</u>	<u>\$ 250,458,616</u>	<u>\$ 213,433,142</u>

(Continued)

E.SUN Financial Holding Company, Ltd.

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

	For the Three Months Ended March 31	
	2024	2023
Revenues and gains		
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	\$ 6,347,970	\$ 6,125,756
Other revenues and gains	<u>27,505</u>	<u>15,642</u>
Total revenues and gains	<u>6,375,475</u>	<u>6,141,398</u>
Expenses and losses		
Operating expenses	68,456	73,072
Other expenses and losses	<u>31,913</u>	<u>12,469</u>
Total expenses and losses	<u>100,369</u>	<u>85,541</u>
Income before income tax	6,275,106	6,055,857
Income tax expense	<u>(24,137)</u>	<u>(13,666)</u>
Net income for the period	6,250,969	6,042,191
Other comprehensive income	<u>2,475,965</u>	<u>1,291,240</u>
 Total comprehensive income	 <u>\$ 8,726,934</u>	 <u>\$ 7,333,431</u>
 Earnings per share (New Taiwan dollars)		
Basic	<u>\$0.40</u>	<u>\$0.41</u>
Diluted	<u>\$0.40</u>	<u>\$0.41</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 (In Thousands)	Common Stock	Reserve for Capitalization	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on the Translation of Financial Statements of Foreign Operations	Unrealized Gains on Financial Assets at Fair Value Through Other Comprehensive Income		Changes in the Fair Value Attributable to Changes in the Credit Risk of Financial Liabilities Designated as at Fair Value Through Profit or Loss
BALANCE AT JANUARY 1, 2024	15,664,000	\$ 156,640,000	\$ -	\$ 34,800,497	\$ 18,430,702	\$ 5,531,342	\$ 22,824,085	\$ (781,073)	\$ (4,178,073)	\$ 2,980,200	\$ 236,247,680
Issuance of common stock from employees' compensation	-	-	180,000	288,900	-	-	-	-	-	-	468,900
Disposals of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	184,944	-	(184,944)	-	-
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	-	-	-	-	-	-	(3)	-	-	3	-
Net income for the three months ended March 31, 2024	-	-	-	-	-	-	6,250,969	-	-	-	6,250,969
Other comprehensive income for the three months ended March 31, 2024, net of income tax	-	-	-	-	-	-	-	1,353,799	1,000,783	121,383	2,475,965
Total comprehensive income for the three months ended March 31, 2024	-	-	-	-	-	-	6,250,969	1,353,799	1,000,783	121,383	8,726,934
BALANCE AT MARCH 31, 2024	<u>15,664,000</u>	<u>\$ 156,640,000</u>	<u>\$ 180,000</u>	<u>\$ 35,089,397</u>	<u>\$ 18,430,702</u>	<u>\$ 5,531,342</u>	<u>\$ 29,259,995</u>	<u>\$ 572,726</u>	<u>\$ (3,362,234)</u>	<u>\$ 3,101,586</u>	<u>\$ 245,443,514</u>
BALANCE AT JANUARY 1, 2023	14,275,100	\$ 142,751,000	\$ -	\$ 26,070,164	\$ 16,897,898	\$ 1,238,321	\$ 15,336,000	\$ (385,903)	\$ (10,775,505)	\$ 5,794,301	\$ 196,926,276
Issuance of common stock from employees' compensation	-	-	179,000	275,660	-	-	-	-	-	-	454,660
Disposals of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	112,430	-	(112,430)	-	-
Net income for the three months ended March 31, 2023	-	-	-	-	-	-	6,042,191	-	-	-	6,042,191
Other comprehensive income (loss) for the three months ended March 31, 2023, net of income tax	-	-	-	-	-	-	-	(349,870)	2,404,563	(763,453)	1,291,240
Total comprehensive income (loss) for the three months ended March 31, 2023	-	-	-	-	-	-	6,042,191	(349,870)	2,404,563	(763,453)	7,333,431
BALANCE AT MARCH 31, 2023	<u>14,275,100</u>	<u>\$ 142,751,000</u>	<u>\$ 179,000</u>	<u>\$ 26,345,824</u>	<u>\$ 16,897,898</u>	<u>\$ 1,238,321</u>	<u>\$ 21,490,621</u>	<u>\$ (735,773)</u>	<u>\$ (8,483,372)</u>	<u>\$ 5,030,848</u>	<u>\$ 204,714,367</u>

(Continued)

E.SUN Financial Holding Company, Ltd.

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

	For the Three Months Ended March 31	
	2024	2023
Cash flows from operating activities		
Income before income tax	\$ 6,275,106	\$ 6,055,857
Adjustments for:		
Depreciation and amortization expenses	1,584	2,018
Interest expense	31,913	12,469
Interest revenue	(414)	-
Salary expenses on share-based payments	1,427	7,727
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(6,347,970)	(6,125,756)
Others	(123)	-
Net changes in operating assets and liabilities		
Receivables	(27,031)	(15,539)
Other assets	(27,404)	(33,688)
Payables	3,249	(32,774)
Cash used in operating activities	(89,663)	(129,686)
Interest received	561	-
Interest paid	(46,803)	(38,000)
Income tax paid	42,108	-
Net cash used in operating activities	<u>(93,797)</u>	<u>(167,686)</u>
Cash flows from investing activities		
Increase in refundable deposits	<u>(175)</u>	<u>-</u>
Cash flows from financing activities		
Decrease in commercial paper issued	(2,800,000)	-
Proceeds from issue of corporate bonds	3,800,000	-
Repayments of corporate bonds	(4,000,000)	-
Repayments of the principal portion of lease liabilities	<u>(1,563)</u>	<u>(1,569)</u>
Net cash used in financing activities	<u>(3,001,563)</u>	<u>(1,569)</u>
Net decrease in cash and cash equivalents	(3,095,535)	(169,255)
Cash and cash equivalents at the beginning of the period	<u>5,846,307</u>	<u>441,727</u>
Cash and cash equivalents at the end of the period	<u>\$ 2,750,772</u>	<u>\$ 272,472</u>

(Continued)

2. Subsidiaries' condensed balance sheets

E.SUN Commercial Bank, Ltd.

Condensed Balance Sheets
(In Thousands of New Taiwan Dollars)

Assets	March 31, 2024	December 31, 2023	March 31, 2023	Liabilities and Equity	March 31, 2024	December 31, 2023	March 31, 2023
Cash and cash equivalents	\$ 48,597,133	\$ 64,615,504	\$ 42,530,129	<u>Liabilities</u>			
Due from the Central Bank and call loans to other banks	225,823,956	194,409,554	162,411,647	Deposits from the Central Bank and other banks	\$ 38,970,132	\$ 40,758,762	\$ 53,230,649
Financial assets at fair value through profit or loss	307,611,684	244,536,866	315,218,277	Financial liabilities at fair value through profit or loss	88,846,798	86,955,683	74,129,998
Financial assets at fair value through other comprehensive income	351,655,162	332,491,084	337,397,993	Financial liabilities for hedging, net	93,291	188,495	8,170
Investments in debt instruments at amortized cost	406,424,449	473,754,950	413,057,134	Securities sold under repurchase agreements	17,259,982	18,615,602	12,849,083
Financial assets for hedging, net	23,315	1,583	-	Payables	32,851,916	32,021,294	29,597,510
Securities purchased under resell agreements	10,169,328	8,097,297	99,749	Current tax liabilities	3,124,978	1,816,431	2,480,526
Receivables, net	119,730,759	123,077,056	105,493,953	Deposits and remittances	3,043,993,833	2,970,458,475	2,816,058,667
Current tax assets	143,882	33,505	18,682	Bank debentures	37,050,000	39,250,000	39,750,000
Discounts and loans, net	2,053,047,053	2,008,453,121	1,873,875,216	Other financial liabilities	101,848,407	98,663,674	91,430,384
Investments under the equity method, net	16,067,424	15,346,644	15,138,595	Provisions	1,043,943	1,042,224	1,047,737
Other financial assets, net	8,245,668	1,595,264	2,710,220	Lease liabilities	4,079,383	4,118,280	3,614,109
Properties and equipment, net	31,446,650	31,633,205	31,575,191	Deferred tax liabilities	2,250,325	2,298,928	2,019,380
Right-of-use assets, net	6,848,324	6,873,040	6,509,950	Other liabilities	3,854,446	3,639,700	3,413,567
Investment properties, net	647,538	648,951	571,598	Total liabilities	<u>3,375,267,434</u>	<u>3,299,827,548</u>	<u>3,129,629,780</u>
Intangible assets, net	4,816,815	4,891,573	4,852,192	<u>Equity</u>			
Deferred tax assets	2,959,467	2,949,246	3,019,747	Capital stock	117,072,000	117,072,000	103,637,000
Other assets, net	<u>18,325,261</u>	<u>15,617,467</u>	<u>13,407,370</u>	Capital surplus	35,063,897	34,881,288	27,583,733
				Retained earnings	85,107,829	79,278,893	71,032,745
				Other equity	72,708	(2,033,819)	(3,995,615)
				Total equity	<u>237,316,434</u>	<u>229,198,362</u>	<u>198,257,863</u>
Total	<u>\$ 3,612,583,868</u>	<u>\$ 3,529,025,910</u>	<u>\$ 3,327,887,643</u>	Total	<u>\$ 3,612,583,868</u>	<u>\$ 3,529,025,910</u>	<u>\$ 3,327,887,643</u>

(Continued)

E.SUN Securities Co., Ltd.

Condensed Balance Sheets
(In Thousands of New Taiwan Dollars)

Assets	March 31, 2024	December 31, 2023	March 31, 2023	Liabilities and Equity	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	\$ 27,338,611	\$ 20,173,862	\$ 14,605,336	<u>Liabilities</u>			
Financial assets at fair value through profit or loss	825,464	630,289	882,901	Current liabilities	\$ 23,936,080	\$ 16,988,259	\$ 12,003,736
Financial assets at fair value through other comprehensive income	2,202,060	1,949,985	1,717,082	Noncurrent liabilities	<u>64,853</u>	<u>75,111</u>	<u>88,083</u>
Investments in debt instruments at amortized cost	668,296	697,796	729,180	Total liabilities	<u>24,000,933</u>	<u>17,063,370</u>	<u>12,091,819</u>
Investments under the equity method	60,459	60,200	60,071	<u>Equity</u>			
Properties and equipment	428,689	405,378	344,280	Capital stock	4,000,000	4,000,000	4,000,000
Right-of-use assets	112,154	127,394	139,945	Capital surplus	168,024	162,866	128,624
Investment properties	18,778	18,866	19,129	Retained earnings	3,773,271	3,309,218	2,969,839
Intangible assets	30,177	34,071	22,374	Other equity	<u>412,199</u>	<u>249,319</u>	<u>12,714</u>
Deferred tax assets	15,551	15,551	30,477	Total equity	<u>8,353,494</u>	<u>7,721,403</u>	<u>7,111,177</u>
Other noncurrent assets	<u>654,188</u>	<u>671,381</u>	<u>652,221</u>				
Total	<u>\$ 32,354,427</u>	<u>\$ 24,784,773</u>	<u>\$ 19,202,996</u>	Total	<u>\$ 32,354,427</u>	<u>\$ 24,784,773</u>	<u>\$ 19,202,996</u>

E.SUN Venture Capital Co., Ltd.

Condensed Balance Sheets
(In Thousands of New Taiwan Dollars)

Assets	March 31, 2024	December 31, 2023	March 31, 2023	Liabilities and Equity	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	\$ 343,277	\$ 365,507	\$ 566,987	<u>Liabilities</u>			
Financial assets at fair value through profit or loss	5,812,359	5,552,927	4,584,719	Current liabilities	\$ 19,575	\$ 17,675	\$ 108,252
Financial assets at fair value through other comprehensive income	98,988	90,624	138,421	Noncurrent liabilities	<u>25,601</u>	<u>24,845</u>	<u>29,748</u>
Other financial assets	64,012	61,506	-	Total liabilities	<u>45,176</u>	<u>42,520</u>	<u>138,000</u>
Properties and equipment	2,065	1,594	1,834	<u>Equity</u>			
Right-of-use assets	20,754	20,927	21,449	Capital stock	4,500,000	4,500,000	4,500,000
Intangible assets	-	-	1,125	Capital surplus	82,651	82,614	81,835
Deferred tax assets	14,111	16,256	366	Retained earnings	2,035,772	1,796,338	904,988
Other noncurrent assets	<u>232</u>	<u>232</u>	<u>232</u>	Other equity	<u>(307,801)</u>	<u>(311,899)</u>	<u>(309,690)</u>
				Total equity	<u>6,310,622</u>	<u>6,067,053</u>	<u>5,177,133</u>
Total	<u>\$ 6,355,798</u>	<u>\$ 6,109,573</u>	<u>\$ 5,315,133</u>	Total	<u>\$ 6,355,798</u>	<u>\$ 6,109,573</u>	<u>\$ 5,315,133</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 March 31	
	2024	2023
Interest revenue	\$ 22,058,849	\$ 18,126,852
Less: Interest expense	<u>(14,628,286)</u>	<u>(11,967,829)</u>
Net interest	7,430,563	6,159,023
Net revenues and gains other than interest	<u>8,293,465</u>	<u>8,212,146</u>
Total net revenues	15,724,028	14,371,169
Reversal of (provision for) bad-debt expenses and reversal of (provision for) losses on commitments and guarantees	(291,256)	10,805
Operating expenses	<u>(8,500,906)</u>	<u>(7,476,317)</u>
Income before income tax	6,931,866	6,905,657
Income tax expense	<u>(1,287,871)</u>	<u>(1,407,378)</u>
Net income for the period	5,643,995	5,498,279
Other comprehensive income	<u>2,291,468</u>	<u>1,218,352</u>
Total comprehensive income	<u>\$ 7,935,463</u>	<u>\$ 6,716,631</u>
Earnings per share		
Basic	<u>\$0.48</u>	<u>\$0.50</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 March 31	
	2024	2023
Income	\$ 1,088,298	\$ 711,361
Service charge	(65,180)	(41,870)
Employee benefit expenses	(289,709)	(216,004)
Share of profit of subsidiaries accounted for using equity method	74	477
Operating expenses	(199,783)	(158,961)
Other profits and losses	<u>21,829</u>	<u>37,906</u>
Income before income tax	555,529	332,909
Income tax expense	<u>(91,476)</u>	<u>(47,360)</u>
Net income for the period	464,053	285,549
Other comprehensive income	<u>162,880</u>	<u>73,808</u>
Total comprehensive income	<u>\$ 626,933</u>	<u>\$ 359,357</u>
Earnings per share		
Basic	<u>\$1.16</u>	<u>\$0.71</u>

(Continued)

E.SUN Venture Capital Co., Ltd.

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

Items	For the Three Months Ended March 31	
	2024	2023
Operating revenue	\$ 247,753	\$ 343,591
Operating expenses	<u>(8,319)</u>	<u>(9,676)</u>
Operating income	239,434	333,915
Non-operating income and expenses	<u>6,424</u>	<u>(607)</u>
Income before income tax	245,858	333,308
Income tax benefit (expense)	<u>(6,424)</u>	<u>7,909</u>
Net income for the period	239,434	341,217
Other comprehensive income	<u>4,098</u>	<u>3,449</u>
Total comprehensive income	<u>\$ 243,532</u>	<u>\$ 344,666</u>
Earnings per share		
Basic	<u>\$0.53</u>	<u>\$0.76</u>

(Concluded)

TABLE 6**E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES****BUSINESS SEGMENT FINANCIAL INFORMATION
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)**

For the three months ended March 31, 2024

Business Segment	Banking	Securities	Others	Consolidated
Items				
Net interest revenues (expenses)	\$ 7,734,264	\$ 118,491	\$ (31,330)	\$ 7,821,425
Net revenues and gains other than interest	8,538,073	874,226	252,805	9,665,104
Total net revenues	16,272,337	992,717	221,475	17,486,529
Reversal of (provision for) bad-debt expenses and reversal of (provision for) losses on commitments and guarantees	(371,448)	6	-	(371,442)
Operating expenses	(8,826,179)	(475,955)	(77,623)	(9,379,757)
Income before income tax	7,074,710	516,768	143,852	7,735,330
Income tax expense	(1,359,006)	(91,476)	(30,581)	(1,481,063)
Net income	5,715,704	425,292	113,271	6,254,267

For the three months ended March 31, 2023

Business Segment	Banking	Securities	Others	Consolidated
Items				
Net interest revenues (expenses)	\$ 6,551,601	\$ 84,592	\$ (11,861)	\$ 6,624,332
Net revenues and gains other than interest	8,255,478	577,723	342,677	9,175,878
Total net revenues	14,807,079	662,315	330,816	15,800,210
Reversal of bad-debt expenses and reversal of losses on commitments and guarantees	1,166	718	-	1,884
Operating expenses	(7,816,458)	(367,067)	(82,797)	(8,266,322)
Income before income tax	6,991,787	295,966	248,019	7,535,772
Income tax expense	(1,435,950)	(47,360)	(5,876)	(1,489,186)
Net income	5,555,837	248,606	242,143	6,046,586

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

MARCH 31, 2024

(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, 2024				Note
				Shares (Thousands)	Carrying Amount	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	\$ 38,905	0.30	\$ 38,905	
	World known MFG (Cayman) Limited	-	Financial assets at fair value through profit or loss	1,443	97,835	4.26	97,835	
	Brighten Optix Co., Ltd.	-	Financial assets at fair value through profit or loss	90	16,875	0.37	16,875	
	OBI Pharma, Inc.	-	Financial assets at fair value through profit or loss	108	6,748	0.05	6,748	
	Evergreen Aviation Technologies Corp.	-	Financial assets at fair value through profit or loss	404	44,036	0.11	44,036	
	AMPACS Corporation	-	Financial assets at fair value through profit or loss	195	10,124	0.13	10,124	
	Turvo International Co., Ltd.	-	Financial assets at fair value through profit or loss	540	70,740	0.90	70,740	
	MOSA Industrial Corporation	-	Financial assets at fair value through profit or loss	1,910	43,929	0.94	43,929	
	Chien Shing Harbour Service Co., Ltd.	-	Financial assets at fair value through profit or loss	400	17,640	0.46	17,640	
	Uniflex Technology Inc.	-	Financial assets at fair value through profit or loss	150	2,527	0.15	2,527	
	Tanvex BioPharma Inc.	-	Financial assets at fair value through profit or loss	455	22,177	0.17	22,177	
	Xu Yuan Packing Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	210	2,783	0.38	2,783	
	Kham Inc.	-	Financial assets at fair value through profit or loss	399	29,109	1.21	29,109	
	Msscorks Co., Ltd.	-	Financial assets at fair value through profit or loss	1,230	175,275	2.63	175,275	
	TaiMed Biologics Co., Ltd.	-	Financial assets at fair value through profit or loss	424	37,100	0.17	37,100	
	Ledlink Optics, Inc.	-	Financial assets at fair value through profit or loss	90	2,254	0.19	2,254	
	Oneness Biotech Co., Ltd.	-	Financial assets at fair value through profit or loss	193	33,821	0.04	33,821	
	TBI Motion Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	354	13,098	0.37	13,098	
	Fusheng Precision Co., Ltd.	-	Financial assets at fair value through profit or loss	345	80,730	0.26	80,730	
	Amulaire Thermal Technology, Inc.	-	Financial assets at fair value through profit or loss	103	4,141	0.10	4,141	
	Vizionfocus Inc.	-	Financial assets at fair value through profit or loss	3,150	1,083,600	6.01	1,083,600	
	Kueitien Cultural & Creative Entertainment Co., Ltd.	-	Financial assets at fair value through profit or loss	195	2,261	0.10	2,261	
	Apex Dynamics, Inc.	-	Financial assets at fair value through profit or loss	258	62,952	0.32	62,952	
	Nan Pao Resins Chemical Co., Ltd.	-	Financial assets at fair value through profit or loss	135	41,975	0.11	41,975	
	Vactronics Technologies Inc.	-	Financial assets at fair value through profit or loss	1,776	135,712	2.49	135,712	
	VisEra Technologies Company Ltd.	-	Financial assets at fair value through profit or loss	200	60,400	0.06	60,400	
	Evergreen Steel Corp.	-	Financial assets at fair value through profit or loss	440	54,780	0.11	54,780	
	Green World FinTech Service Co., Ltd.	-	Financial assets at fair value through profit or loss	10	4,175	0.06	4,175	
	Gogoro Inc.	-	Financial assets at fair value through profit or loss	1,250	73,637	0.51	73,637	
	Winking Studios Limited	-	Financial assets at fair value through profit or loss	10,826	66,731	3.87	66,731	
	Acepodia, Inc.	-	Financial assets at fair value through profit or loss	25,065	714,096	4.43	714,096	
	Jason's Entertainment Co., Ltd.	-	Financial assets at fair value through profit or loss	249	4,609	1.56	4,609	
	Epoch Chemtronics Corp.	-	Financial assets at fair value through profit or loss	1,889	146,871	5.55	146,871	
	Perfect Medical Industry Co., Ltd.	-	Financial assets at fair value through profit or loss	516	8,922	1.13	8,922	
	Wieson Technologies Co., Ltd.	-	Financial assets at fair value through profit or loss	445	6,590	0.67	6,590	
	Mutual-Tek Industries Co., Ltd.	-	Financial assets at fair value through profit or loss	600	12,186	0.73	12,186	

(Continued)

Holding Company Name	Marketable Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	March 31, 2024				Note
				Shares (Thousands)	Carrying Amount	Percentage of Ownership	Market Value or Net Asset Value	
	Tricorntech Corporation	-	Financial assets at fair value through profit or loss	688	\$ 27,279	1.14	\$ 27,279	
	3D Global Biotech Inc.	-	Financial assets at fair value through profit or loss	620	19,877	0.93	19,877	
	Taiwan Advanced Nanotech Inc.	-	Financial assets at fair value through profit or loss	829	23,883	2.71	23,883	
	Prince Pharmaceutical Co., Ltd.	-	Financial assets at fair value through profit or loss	477	15,299	1.30	15,299	
	Vetnostrum Animal Health Co., Ltd.	-	Financial assets at fair value through profit or loss	2,000	74,460	3.02	74,460	
	CHO Pharma Inc.	-	Financial assets at fair value through profit or loss	140	8,222	0.07	8,222	
	Ap Biosciences Inc.	-	Financial assets at fair value through profit or loss	1,500	90,075	2.31	90,075	
	Brim Biotechnology, Inc.	-	Financial assets at fair value through profit or loss	680	22,617	0.59	22,617	
	Win Win Precision Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	1,470	53,137	2.42	53,137	
	Great Giant Fibre Garment Co., Ltd.	-	Financial assets at fair value through profit or loss	784	102,036	1.30	102,036	
	Alliance Material CO., Ltd.	-	Financial assets at fair value through profit or loss	300	10,671	1.10	10,671	
	Huimin Environmental Tech Corporation	-	Financial assets at fair value through profit or loss	1,000	57,960	2.84	57,960	
	Natural Polymer International Corporation	-	Financial assets at fair value through profit or loss	591	33,631	2.36	33,631	
	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	15,276	3.05	15,276	
	Amaryllo Inc.	-	Financial assets at fair value through profit or loss	290	715	1.98	715	
	Ikala Global Online Corp.	-	Financial assets at fair value through profit or loss	18,040	38,809	1.30	38,809	
	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	12,124	0.18	12,124	
	Vpon Holding Inc.	-	Financial assets at fair value through profit or loss	265	12,858	0.81	12,858	
	Xrex Inc.	-	Financial assets at fair value through profit or loss	353	15,712	0.77	15,712	
	Solidlite Co., Ltd.	-	Financial assets at fair value through profit or loss	2,867	21,477	13.07	21,477	
	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	25,452	2.28	25,452	
	ACHB Enterprise Co., Ltd.	-	Financial assets at fair value through profit or loss	733	47,815	7.82	47,815	
	High Performance Information Co., Ltd.	-	Financial assets at fair value through profit or loss	1,445	91,683	5.65	91,683	
	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	-	
	Remotek Corporation	-	Financial assets at fair value through profit or loss	506	3,851	0.74	3,851	
	MontJade Engineering Co., Ltd.	-	Financial assets at fair value through profit or loss	561	10,762	2.51	10,762	
	ICP Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	734	8,799	2.25	8,799	
	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	20	2,168	5.00	2,168	
	KHL IV Venture Capital Co., Ltd.	-	Financial assets at fair value through profit or loss	7,985	90,691	2.86	90,691	
	Amaran Biotechnology, Inc.	-	Financial assets at fair value through profit or loss	378	4,499	0.41	4,499	
	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	19	-	8.25	-	
	Mesotek Corporation	-	Financial assets at fair value through profit or loss	89	-	1.63	-	
	Applied Green Light Taiwan, Inc.	-	Financial assets at fair value through profit or loss	96	-	2.04	-	
	ABIS Recytech Sustainable Corporation	-	Financial assets at fair value through profit or loss	1,000	9,369	4.19	9,369	
	Excetek Technologies Co., Ltd.	-	Financial assets at fair value through profit or loss	651	8,195	3.69	8,195	
	Advanced Material Systems Corporation	-	Financial assets at fair value through profit or loss	1,564	34,774	4.64	34,774	
	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	74	587	0.39	587	
	Asia Skin Cosmetics Company	-	Financial assets at fair value through profit or loss	324	7,769	1.93	7,769	

(Continued)

Holding Company Name	Marketable Securities Type and Issuer/Name	Relationship with the Holding Company	Financial Statement Account	March 31, 2024				Note
				Shares (Thousands)	Carrying Amount	Percentage of Ownership	Market Value or Net Asset Value	
	Tekho Marine Biotech Co., Ltd.	-	Financial assets at fair value through profit or loss	727	\$ 3,635	8.97	\$ 3,635	
	Tapollop Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	666	-	8.67	-	
	SongChuan Group Companies	-	Financial assets at fair value through profit or loss	900	90,000	1.24	90,000	
	Shih Hsiang Auto Parts Co., Ltd.	-	Financial assets at fair value through profit or loss	500	29,305	2.03	29,305	
	Enterex International Limited	-	Financial assets at fair value through profit or loss	453	-	0.41	-	
	21st Financial Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	517	43,730	0.75	43,730	
	KHL V Venture Capital Co., Ltd.	-	Financial assets at fair value through profit or loss	6,025	53,275	4.76	53,275	
	Batom Co., Ltd.	-	Financial assets at fair value through profit or loss	603	23,127	1.62	23,127	
	Kee Fresh & Safe Foodtech Co., Ltd.	-	Financial assets at fair value through profit or loss	950	24,099	2.85	24,099	
	AP Biosciences Inc.	-	Financial assets at fair value through profit or loss	2,880	2,325	9.84	2,325	
	9splay Entertainment Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	57	388	0.33	388	
	KHL Investment Advisors Ltd.	-	Financial assets at fair value through profit or loss	6,566	67,529	5.95	67,529	
	Taishan Buffalo Investment Co., Ltd.	-	Financial assets at fair value through profit or loss	92,600	71,799	2.15	71,799	
	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	-	
	Morrison Opto-electronics Ltd.	-	Financial assets at fair value through profit or loss	221	16,930	0.96	16,930	
	Obigen Pharma, Inc.	-	Financial assets at fair value through profit or loss	2,500	102,241	2.36	102,241	
	Lumi Health Innovation Co., Ltd.	-	Financial assets at fair value through profit or loss	1,983	75,017	6.48	75,017	
	Rock BioMedical, Inc.	-	Financial assets at fair value through profit or loss	14,480	158,493	18.10	158,493	
	AmTrust Capital II Corp.	-	Financial assets at fair value through profit or loss	8,000	79,367	8.00	79,367	
	Innotech Logistics Co., Ltd.	-	Financial assets at fair value through profit or loss	3,000	33,838	6.00	33,838	
	RePV Tech, Inc.	-	Financial assets at fair value through profit or loss	2,000	59,930	25.79	59,930	
	Caremed Supply Inc.	-	Financial assets at fair value through profit or loss	1,418	28,498	6.69	28,498	
	Gama Pay Co., Ltd.	-	Investments in equity instruments at FVTOCI	1,139	7,085	2.07	7,085	
	Crowningtek Inc.	-	Investments in equity instruments at FVTOCI	365	1,345	9.12	1,345	
	Awin Diamond Technology Corporation	-	Investments in equity instruments at FVTOCI	1,500	18,778	14.72	18,778	
	OME Technology Co., Ltd.	-	Investments in equity instruments at FVTOCI	1,457	33,628	2.22	33,628	
	Danotech Co., Ltd.	-	Investments in equity instruments at FVTOCI	1,500	-	3.22	-	
	Procrystal Technology Company Limited	-	Investments in equity instruments at FVTOCI	3,360	-	2.69	-	
	Biodenta Corporation	-	Investments in equity instruments at FVTOCI	6	-	0.63	-	
	MCM Stamping Co., Ltd.	-	Investments in equity instruments at FVTOCI	163	-	1.90	-	
	Pet Pharm Biotech Co., Ltd.	-	Investments in equity instruments at FVTOCI	314	5,705	0.78	5,705	
	Life + Co., Ltd.	-	Investments in equity instruments at FVTOCI	854	4,031	6.85	4,031	
	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	935	5.26	935	
	Topray Mems Inc.	-	Investments in equity instruments at FVTOCI	975	2,672	2.14	2,672	
	Fuho Technology Co., Ltd.	-	Investments in equity instruments at FVTOCI	389	6,918	1.50	6,918	
	Kyushu M&A Advisors Co., Ltd.	-	Investments in equity instruments at FVTOCI	2	4,266	5.00	4,266	
	Shanghai Vpon Ltd.	-	Investments in equity instruments at FVTOCI	38,615	-	8.93	-	
	O'Pay Electronic Payment Co., Ltd.	-	Investments in equity instruments at FVTOCI	242	4,812	0.33	4,812	
	Fund							
	Delos Capital Fund	-	Financial assets at fair value through profit or loss	8,023	173,352	7.63	173,352	
	Delos Capital Fund 2	-	Financial assets at fair value through profit or loss	8,105	317,853	7.46	317,853	
	Delos Capital Fund 3	-	Financial assets at fair value through profit or loss	2,277	49,483	3.32	49,483	
	Taishan Buffalo No. 3 Biotech Venture Capital	-	Financial assets at fair value through profit or loss	75,000	68,475	4.57	68,475	
	Rui Zhan Fund L.P.	-	Financial assets at fair value through profit or loss	14,118	7,794	9.09	7,794	

(Concluded)

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 10% OF THE PAID-IN CAPITAL
 FOR THE THREE MONTHS ENDED MARCH 31, 2024
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Name	Property	Transaction Date	Transaction Amount	Payment Term/ Payment Status	Counterparty	Nature of Relationship	Prior Transaction of Related Counterparty				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationship	Transfer Date	Amount			
E.SUN Commercial Bank, Ltd.	Qingpu branch in Taoyuan	2022.08.19	\$ 500,000	\$150,000 has been paid as of March 31, 2024	Eight Point International Corp.	-	-	-	-	\$ -	Appraisal report	For the operation of the branch of E.SUN Bank	None
	Xiaokuaishi branch in Taoyuan	2022.09.15 2022.08.19	308,000	\$61,600 has been paid as of March 31, 2024	Yang, Yang and Yang	-	-	-	-	-	Appraisal report	For the operation of the branch of E.SUN Bank	None

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

**ALLOWANCE OF SERVICE FEES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$5 MILLION
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars)**

Securities Firms	Counterparty	Nature of Relationship	Total Amounts of Brokerage Service Revenue	Total Allowance of Brokerage Service Revenue	Service Revenue From Related Party	Allowance of Service Revenue for Related Party	Percentage of Service Revenue from Related Party to Total Amounts	Percentage of Allowance of Service Revenue for Related Party to Total Allowance
E.SUN Securities Co., Ltd.	E.SUN Commercial Bank, Ltd.	Same parent company	\$ 1,599,334	\$ 748,341	\$ 8,609	\$ 5,336	0.54	0.71

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

**SALE OF NONPERFORMING LOANS
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars)**

1. Summary statement:

Trade Date	Counterparty	Loans Composition	Carrying Amount	Selling Price	Gain (Loss) on Disposal	Terms	Relationship
January 17, 2024	AS INVESTMENT VEHICLE PTY LTD	Corporate unsecured loans	\$ -	\$ 200,628	\$ 200,628	None	Unrelated party transactions

2. Sale of nonperforming loans in a single batch amounting to over \$1 billion (excluding sales to related parties): None.

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, 2024

(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	\$ 2,147,685 (Notes 1 and 2)	-	\$ -	-	\$ -	\$ -

Note 1: The receivables come from remuneration of directors and receivables related to consolidated tax returns from E.SUN Commercial Bank, Ltd.

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, 2024
(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, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2024	% Ownership of Direct or Indirect Investment	Investment Income	Carrying Amount as of March 31, 2024	Accumulated Inward Remittance of Earnings as of March 31, 2024
					Outflow	Inflow					
E.SUN Bank (China), Ltd.	Deposits, loans, import and export, exchange and foreign exchange business	\$ 9,758,742 (Note 1)	Direct	\$ 9,758,742	\$ -	\$ -	\$ 9,758,742 (Note 1)	100	\$ 217,557	\$ 10,215,952	\$ -

Accumulated Investment in Mainland China as of March 31, 2024	Investment Amount Approved by the Investment Commission, MOEA	Maximum Investment Allowable (Note 2)
\$9,758,742 (Note 1)	\$9,758,742 (Note 1)	\$142,504,689

(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, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2024	Investee Net Income (Loss)	% Ownership of Direct or Indirect Investment	Investment Income	Carrying Amount as of March 31, 2024	Accumulated Inward Remittance of Earnings as of March 31, 2024
					Outflow	Inflow						
Transound Electronics (Dongguan) Co., Ltd.	Innovation, R&D, manufacture and selling in new electronic components, and establish R&D institution	\$ 229,138	Investment in mainland China through a third-party company (Note 3)	\$ 30,000	\$ -	\$ -	\$ 30,000	(Note 4)	3.05	\$ -	(Note 5)	\$ -
Shanghai Vpon Ltd.	Data analysis and developing software	205,247	Direct	38,615	-	-	38,615	(Note 4)	8.93	-	\$ -	-
Shanghai Winking Entertainment 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	441,978	Investment in mainland China through a third-party company (Note 3)	23,683	-	-	23,683	(Note 4)	3.87	-	(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	113,233	Investment in mainland China through a third-party company (Note 3)	11,450	-	-	11,450	(Note 4)	0.47	-	(Note 5)	-

Accumulated Investment in Mainland China as of March 31, 2024	Investment Amount Approved by the Investment Commission, MOEA	Maximum Investment Allowable (Note 7)
\$152,811	\$155,592	\$3,786,373

(Continued)

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 Shanghai Winking Entertainment Ltd. through Winking Studios Limited.
- c. 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", the investment amount is 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, 2024

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Transaction Company	Counterparty	Transaction Flow (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	\$ 2,750,772	Note 4	0.07
1	E.SUN Commercial Bank, Ltd.	E.SUN Financial Holding Company, Ltd.	b	Deposits and remittances	2,750,772	Note 4	0.07
0	E.SUN Financial Holding Company, Ltd.	E.SUN Commercial Bank, Ltd.	a	Receivable on consolidated tax returns	2,045,685	Note 4	0.05
1	E.SUN Commercial Bank, Ltd.	E.SUN Financial Holding Company, Ltd.	b	Payable on consolidated tax returns	2,045,685	Note 4	0.05
0	E.SUN Financial Holding Company, Ltd.	E.SUN Securities Co., Ltd.	a	Receivable on consolidated tax returns	226,080	Note 4	0.01
2	E.SUN Securities Co., Ltd.	E.SUN Financial Holding Company, Ltd.	b	Payable on consolidated tax returns	226,080	Note 4	0.01
2	E.SUN Securities Co., Ltd.	E.SUN Commercial Bank, Ltd.	c	Cash and cash equivalents, other financial assets	1,494,304	Note 4	0.04
1	E.SUN Commercial Bank, Ltd.	E.SUN Securities Co., Ltd.	c	Deposits and remittances	1,494,304	Note 4	0.04
3	E.SUN Venture Capital Co., Ltd.	E.SUN Commercial Bank, Ltd.	c	Cash and cash equivalents, other financial assets	397,413	Note 4	0.01
1	E.SUN Commercial Bank, Ltd.	E.SUN Venture Capital Co., Ltd.	c	Deposits and remittances	397,413	Note 4	0.01
1	E.SUN Commercial Bank, Ltd.	E.SUN Bank (China), Ltd.	c	Due from the Central Bank and call loans to other banks	7,041,320	Note 4	0.19
4	E.SUN Bank (China), Ltd.	E.SUN Commercial Bank, Ltd.	c	Deposits from the Central Bank and other banks	7,041,320	Note 4	0.19
1	E.SUN Commercial Bank, Ltd.	Union Commercial Bank PLC.	c	Discounts and loans	1,600,300	Note 4	0.04
5	Union Commercial Bank PLC.	E.SUN Commercial Bank, Ltd.	c	Other financial liabilities	1,600,300	Note 4	0.04
4	E.SUN Bank (China), Ltd.	E.SUN Commercial Bank, Ltd.	c	Due from the Central Bank and call loans to other banks	384,072	Note 4	0.01
1	E.SUN Commercial Bank, Ltd.	E.SUN Bank (China), Ltd.	c	Deposits from the Central Bank and other banks	384,072	Note 4	0.01

(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, 2024**

Name of Major Stockholder	Shareholding	
	Number of Shares	Percentage of Ownership (%)
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.