

Annual Report 2022

**Bank of Panhsin Head Office**

Address : No.68, Sec. 2, Xianmin Blvd., Banqiao Dist., New Taipei City, Taiwan (R.O.C.)

Tel : (02)2962-9170

Web Site : www.bop.com.tw

Spokesman

Name : Li-Chin Wei

Title : S.E.V.P.

Address : No.68, Sec. 2, Xianmin Blvd., Banqiao Dist., New Taipei City, Taiwan (R.O.C.)

Tel : (02)2962-9170

E-mail : 26120@bop.com.tw

Deputy Spokesman

Name : Chi-Hsun Chang

Title : S.E.V.P.

Address : No.68, Sec. 2, Xianmin Blvd., Banqiao Dist., New Taipei City, Taiwan (R.O.C.)

Tel : (02)2962-9170

E-mail : 43009@bop.com.tw

Securities Agent

Name : Bank of Panhsin, General Affairs Department

Address : No.149-49, Sec. 2, Keelung Rd., Xinyi Dist., Taipei City, Taiwan (R.O.C.)

Tel : (02)2736-5189

Credit Rating Agent

Taiwan Ratings Corp.

Address : 2F., No.167, Dunhua N. Rd., Songshan Dist., Taipei City, Taiwan (R.O.C.)

Tel : (02)2175-6800

Web Site : www.taiwanratings.com

Certified Public Accountants for Financial Statements

KPMG Certified Public Accountants

Name of Accountants : Lily Lu, Yung-Sheng Wang

Address : Taipei 101 Tower, 68F., No.7, Sec. 5, Xinyi Rd., Xinyi Dist., Taipei City, Taiwan (R.O.C.)

Tel : (02)8101-6666

Web Site : www.kpmg.com.tw

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Bank Overview

Bank of Panhsin (BOP), formerly known as Panchiao Credit Cooperatives (PCC), has always upheld a customer-centric integrity management since its establishment on April 25, 1957, achieving steady business expansion. Thereafter, in response to a rapidly liberalized financial environment and in compliance with the Standards and Methods for Reorganization of Credit Cooperative into Commercial Bank announced on December 6, 1995, PCC had acquired the Kaohsiung Fifth Credit Cooperative on September 29, 1997, and officially transformed into a commercial bank on the following day. The business premise has thus surpassed the boundary of New Taipei City. Subsequently, the Bank has made several adjustments and established branch offices according to business development needs. In support of government policies, BOP had acquired the Chiayi First Credit Cooperative on March 7, 2005, opening 46 branches in total. On July 21, 2014, BOP officially acquired the Taipei City Ninth Credit Cooperative, obtaining a total of 64 branches after the merge. In support of government policies which balance Urban and Rural Development of remote areas, BOP had established Yanchao Branch in Yanchao District, Kaohsiung City, on November 27, 2018, Miaoli Branch in Tongluo Township, Miaoli County, on December 16, 2019, opening 66 branches in total, among them 48 branches are based in Taipei City and New Taipei City.

The Bank has reallocated its headquarters to Panhsin Twin Towers in Xinban Special District in 2011. This relocation not only enhanced the Bank's corporate image and achieved employee consensus, but also provided customers with the best professional service through the establishment of its financial flagship store and enhanced organizational performance. From today forward, BOP will persist in retaining its management concepts of "Integrity, Practicality, and Innovation" to offer perfect financial services, expand its operating scale, improve its asset quality, and ultimately maximize its profits. BOP is determined to become a professional and universal mid-sized commercial bank.

I 、Date of establishment

PCC was established on April 25, 1957, officially opened on July 5, 1957 and officially transformed into a commercial bank on September 30, 1997.

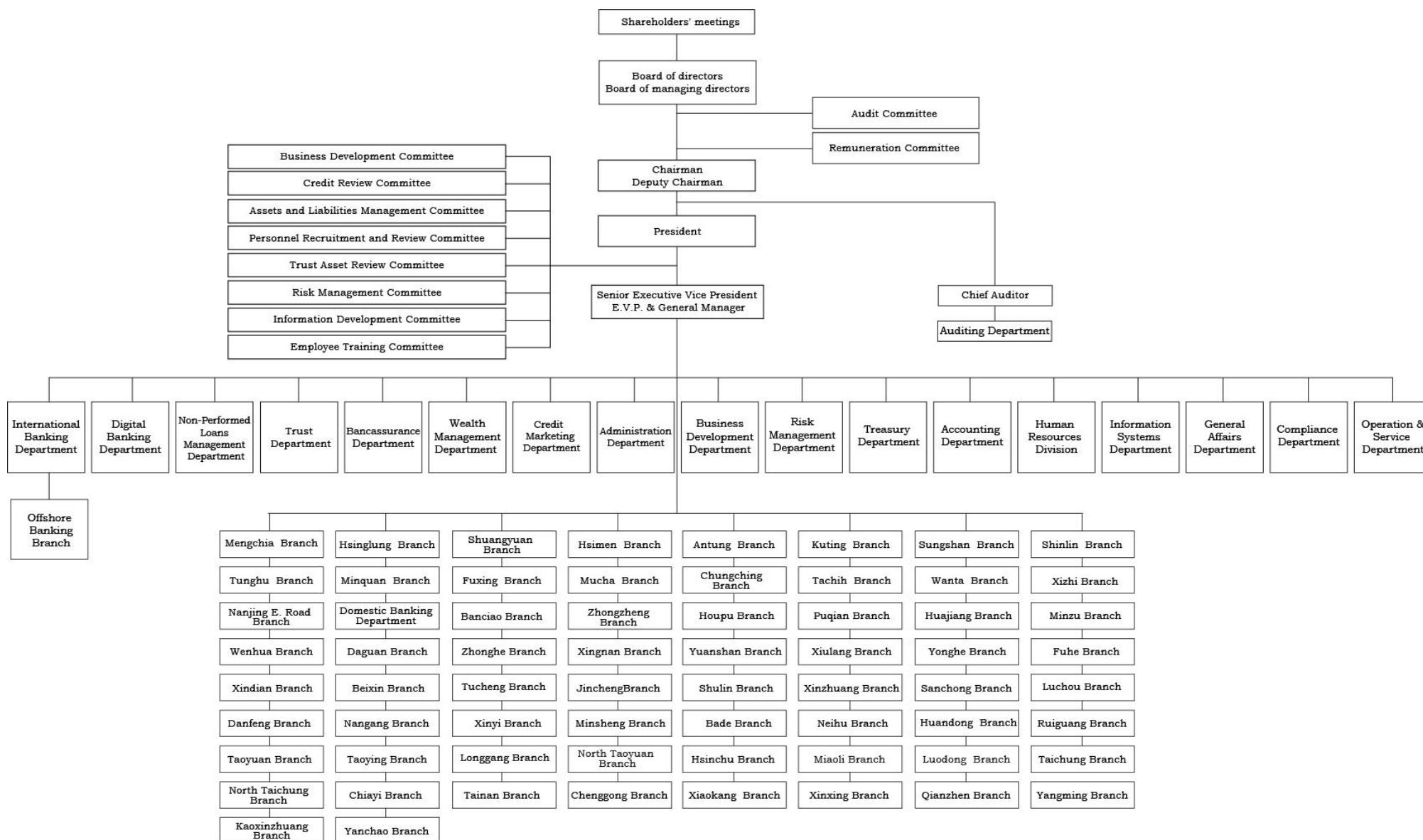
II 、Credit rating

Rating Agency	Date	Long-Term	Short-Term	Outlook
Taiwan Ratings Corp.	Oct. 28, 2022	twBBB	twA-2	Positive

Corporate Governance

I、Organizational Chart

Baseline date: February 28, 2023



II 、Profiles of Directors and Chairman

Baseline date: December 31, 2022

Position	Name	Nationality	Gender / Age	On-Board Date	Term (Year)	First elected	Shares held during election		No. of shares currently held		Current shares held by spouse and underage children (Note 3)		Major career (academic) achievements	Current job position at the Bank and other companies
							No. of shares	Percentage of shares	No. of shares	Percentage of shares	No. of shares	Percentage of shares		
Chairman	Representative of Hsinhui Construction Co., Ltd.: Ming-Daw Chang	R.O.C	Male / 61~70	2021.07.15	3	2021.07.15	1,173,973	0.08	1,294,768	0.08	-	-	Masters, Department of Law, Chinese Culture University/ Chairman, Chang Hwa Bank Deputy Chairman, Taiwan Financial Holding Co.,Ltd. Director General, Executive Yuan, Banking Bureau, FSC.	Independent Director, PharmaEngine Co., Ltd. Chairman, Panhsin International Leasing Co., Ltd.
Independent (Managing) Director	Peter Lin	R.O.C	Male / 71~80	2021.07.15	3	2018.06.20	-	-	-	-	-	-	Department of Enterprise Management, Fu Jen Catholic University/ Chairman, Taiwan Cooperative Bills Finance President, Taiwan Cooperative Bank	-
Managing Director	Dai-Ming Kuo	R.O.C	Male / 81~90	2021.07.15	3	1996.12.27	8,986,070	0.60	9,910,688	0.60	2,819,760	0.17	Masters, Meijo University/ Director, Panchiao Credit Cooperative	Chairman, SEH Biotechnology Co., Ltd. Chairman, Aizia Technology Co., Ltd. Chairman, Chingyen International Co., Ltd. Director, Mashangfa International Enterprise Co., Ltd Chairman, Panhsin Asset Management Co., Ltd. Director, Panhsin Charitable Foundation
Managing Director	Representative of Sanlight Construction Co., Ltd.: Mei-Yun Liao	R.O.C	Female / 61~70	2021.07.15	3	2006.06.20	38,236,861	2.53	42,171,231	2.53	-	-	Blessed Imelda's School/ Chairman, Sanlight Construction Co., Ltd.	Chairman, Dashun Construction Co., Ltd. Director, Sanxin Electrical and Mechanical Engineering Co., Ltd. Chairman, Yuanchih Investment Co., Ltd. Director, Sun Hui Construction Co., Ltd. Chairman, Sanlight Construction Co., Ltd. Chairman, Sanjun Construction Co., Ltd. Director, Tianlu Construction Ltd. Interim Manager, Sanchunshun Enterprise Co., Ltd. Chairman, Xinghui Construction Co., Ltd.

Position	Name	Nationality	Gender / Age	On-Board Date	Term (Year)	First elected	Shares held during election		No. of shares currently held		Current shares held by spouse and underage children (Note 3)		Major career (academic) achievements	Current job position at the Bank and other companies
							No. of shares	Percentage of shares	No. of shares	Percentage of shares	No. of shares	Percentage of shares		
Director	Shiaan-Jung Chiou	R.O.C	Male / 61~70	2021.07.15	3	2018.06.20	1,354,297	0.09	1,493,646	0.09	43,453	0.00	Masters, Department of Radio, Television & Film, Temple University	-
Director	Representative of Tianlu Construction Ltd.: Yueh-Shuang Chiu	R.O.C	Female / 71~80	2021.07.15	3	2015.06.25	280,524 -	0.02 -	309,387 10,828,930	0.02 0.65	- -	-	Department of Affairs Management, Shih Chien - College of Home Economics/ - Chairman, Paifu Construction Co., Ltd.	Director, Chaochung Construction Co., Ltd.
Director	Representative of Hanchia Construction Co., Ltd.: Biing-Hwa Liu	R.O.C	Male / 61~70	2021.07.15	3	2006.06.20	71,791 -	0.00 -	79,177 496,314	0.00 0.03	- 4,580	0.00	Bachelor, Department of Law, National Taiwan University/ M.P.A., University of Southern California, USA/ Ph.D., California Intercontinental University/ Members of the Legislative Yuan/ Secretary of the presidency/ Deputy Secretary-General of the National Security Council	Director, Panhsin Asset Management Co., Ltd. Director, Lihpao Life Science Co., Ltd. Director, Advancetek Enterprise Co., Ltd. Chairman, Yongthai Development Co., Ltd. Supervisor, Hanchia Construction Co., Ltd. Supervisor, Haishan Land Construction Co., Ltd. Supervisor, Yichang Development Co., Ltd. Supervisor, Jiuru Construction Co., Ltd. Supervisor, Haicheng Construction Co., Ltd.
Director	Tung-Jen Lin	R.O.C	Male / 71~80	2021.07.15	3	2006.06.20	9,740,138	0.65	10,742,346	0.65	788,416	0.05	Tamkang University/ E.V.P. & General Manager, Bank of Panhsin	Director, Tripod Development and Construction Co., Ltd. Chairman, Aking Enterprise Co., Ltd. Chairman, Kinpoti Enterprise Co., Ltd.
Director	Representative of Yao Chen International Ltd: Lin-Long Chien	R.O.C	Male / 71~80	2021.07.15	3	2021.07.15	7,212,372 -	0.48 -	13,498,748 -	0.81 -	- 1,405,554	0.08	Chihlee University of Technology/ - Supervisor, Panchiao Credit Cooperative	Director, Panhsin Asset Management Co., Ltd. Director, Hechung Recreation Co., Ltd. Chairman, Yong Song Construction Co., Ltd. Director, Yao Chen International Ltd Director, Zhuang-Yuan Lou Co., Ltd. Responsible person, Fruits wholesaler No. 4498 Director, Yung Song Investment Ltd. Director, Fuxi Construction Co., Ltd.
Director	Yao-Chih Chu	R.O.C	Male / 51~60	2021.07.15	3	2012.06.19	3,723,041	0.25	4,547,279	0.27	161,923	0.01	Fu Jen Catholic University/ Director, Bank of Panhsin	-

Position	Name	Nationality	Gender / Age	On-Board Date	Term (Year)	First elected	Shares held during election		No. of shares currently held		Current shares held by spouse and underage children (Note 3)		Major career (academic) achievements	Current job position at the Bank and other companies
							No. of shares	Percentage of shares	No. of shares	Percentage of shares	No. of shares	Percentage of shares		
Independent Director	Mao-Chuan Lin	R.O.C	Male / 71~80	2021.07.15	3	2018.06.20	-	-	-	-	-	-	Department of Law, Soochow University/ - Members and convener of the Board of Examiners, Examination Yuan of R.O.C.	-
Independent Director	Carol Sun	R.O.C	Female / 61~70	2021.07.15	3	2021.07.15	-	-	-	-	-	-	University of Warwick UK Management of Business Excellence/ E.V.P. Chang Hwa Bank	Director, Lotusbio Technology Development Corp.

Note 1 : "Shares held by nominee shareholders" & "Any other manager, director, or supervisor whose spouse or family members within the second degree of kinship": N/A.

Note 2 : "Where chairman of the board and (president or person of an equivalent post—the highest level manager) are the same person, spouses, or relatives within the first degree of kinship": N/A.

Note 3 : The No. of Shares currently held and Percentage of Shares columns were based on the 1,663,918,147 shares actually issued on December 31, 2022.

Note 4 : "Panhsin Charitable Foundation" is the abbreviation of "Provincial Private Pansin Social Welfare Charitable Foundation".

Note 5 : Director reelection was held on July 15, 2021.

III 、Profiles of President, S.E.V.P., E.V.P. & General Manager, and heads of departments and branch offices

Baseline date: February 28, 2023

Position	Nationality	Name	On-Board Date	Shares held		Shares held by spouse and underage children		Major career (academic) achievements	Current job position in other companies
				No. of shares	Percentage of shares	No. of shares	Percentage of shares		
President	R.O.C	Chia-Nan Fang	2021.05.25	22,299,548	1.34	9,471,089	0.57	Department of Economics, Soochow University/ President, Bank of Panhsin.	Director, Trust Association of R.O.C.. Director, The Bankers Association Of The Republic Of China. Executive supervisor, Bankers Association of New Taipei City.
S.E.V.P. & Chief Information Security Officer	R.O.C	Li-Chin Wei	2014.04.21	150,035	0.01	4,893	0.00	Master, Department of International Business, Tamkang University/ S.E.V.P., Bank of Panhsin.	Supervisor, Panhsin Asset Management Co., Ltd.
Chief Auditor	R.O.C	Hsin-Mao Huang	2019.04.22	219,653	0.01	450	0.00	Department of Accounting, Fu Jen Catholic University/ S.E.V.P., Bank of Panhsin.	Director, Panhsin Charitable Foundation.
Chief Compliance & Anti Money Laundering Officer	R.O.C	Chi-Hsun Chang	2020.11.01	181,023	0.01	-	-	Master, Institute of Economics, National Taiwan University/ S.E.V.P., Bank of Panhsin.	Director, Panhsin Charitable Foundation.
General Manager, Trust Department	R.O.C	Shu-Yu Wu	2017.03.20	16,431	0.00	-	-	Department of shipping & Transportation management, National Taiwan Ocean University/ General Manager, Bank of Panhsin.	-
General Manager, Business Development	R.O.C	Sharon Chen	2022.03.03	17,685	0.00	-	-	Master, Financial Research Institute, Fu Jen Catholic University/ General Manager, Bank of Panhsin.	Director, Panhsin International Leasing Co., Ltd.
General Manager, Non-Performed Loans Management Department	R.O.C	Yun-Mei Meng	2021.02.01	39,136	0.00	-	-	MBA, School of Business Administration, Saint Louis University, USA/ General Manager, Bank of Panhsin	Director, Panhsin International Leasing Co., Ltd.
General Manager, Operation & Service Department	R.O.C	Mao-Sen Kao	2019.06.24	194,677	0.01	13,701	0.00	Business Administration, National Taipei University of Business/ General Manager, Bank of Panhsin	-
General Manager, Wealth Management Department	R.O.C	Chia-Hui Lee	2020.11.01	-	-	-	-	Accounting, Chinese Culture University/ General Manager, Bank of Panhsin	-

Position	Nationality	Name	On-Board Date	Shares held		Shares held by spouse and underage children		Major career (academic) achievements	Current job position in other companies
				No. of shares	Percentage of shares	No. of shares	Percentage of shares		
General Manager, Risk Management	R.O.C	Shih-Yang Liu	2021.02.01	28,751	0.00	-	-	MBA, Graduate School of Business Administration, University of Southern California, USA/ General Manager, Bank of Panhsin.	Director, Panhsin International Leasing Co., Ltd.
General Manager, Compliance Department	R.O.C	Ryan Chang	2015.03.23	83,853	0.01	-	-	Department of Law, Fu Jen Catholic University/ General Manager, Bank of Panhsin.	-
General Manager, Bancassurance Department	R.O.C	Yi-Fang Wen	2017.09.14	11,931	0.00	-	-	Master, Department of Radio & Television, National Chengchi University/ General Manager, Bank of Panhsin.	-
General Manager, International Banking Department & Offshore Banking Branch	R.O.C	Shing-Fen Lin	2022.03.03	51,043	0.00	-	-	International Banking and Finance, University of Birmingham, UK/ General Manager, Bank of Panhsin.	-
E.V.P. & General Manager, Credit Marketing Department	R.O.C	Chung-Wei Wang	2018.11.26	70,128	0.00	-	-	Department of Business Administration, Tamsui Institute of Business Administration/ E.V.P. & General Manager, Bank of Panhsin.	-
General Manager, Information Systems Department & Digital Banking Department	R.O.C	Mei-Yu Hsiao	2019.06.24	28,794	0.00	-	-	Ph.D., Department of Electrical Engineering, National Taiwan University/ General Manager, Bank of Panhsin.	-
General Manager, Human Resources Department	R.O.C	Ta-Huang Chen	2014.10.27	59,786	0.00	-	-	MBA, Graduate Institute of Management, Fu Jen Catholic University/ General Manager, Bank of Panhsin.	-
General Manager, General Affairs Department	R.O.C	Chu-Hui Li	2022.09.11	34,072	0.00	-	-	Department of Information Management, Fortune Institute of Technology/ General Manager, Bank of Panhsin.	-
General Manager, Accounting Department	R.O.C	Chiung-Chi Huang	2011.08.01	72,631	0.00	-	-	Accounting Statistics, Chihlee Business Vocational School/ General Manager, Bank of Panhsin.	Supervisor, Panhsin International Leasing Co., Ltd.
General Manager, Treasury Department	R.O.C	Kevin Lee	2007.04.02	123,981	0.01	162,741	0.01	Department of Statistics, National Cheng Kung University/ General Manager, Bank of Panhsin.	-

Position	Nationality	Name	On-Board Date	Shares held		Shares held by spouse and underage children		Major career (academic) achievements	Current job position in other companies
				No. of shares	Percentage of shares	No. of shares	Percentage of shares		
General Manager, Administration Department	R.O.C	Yu-yun Ouyang	2022.08.01	11,715	0.00	-	-	Master of Business Administration, Shih Chien University/ General Manager, Bank of Panhsin.	-
General Manager, Domestic Banking Department	R.O.C	Yu-Tsi Yo	2020.03.23	33,549	0.00	-	-	Department of International Business, Soochow University/ General Manager, Bank of Panhsin.	-
General Manager, Banciao Branch	R.O.C	Su-Ching Chien	2020.01.20	53,382	0.00	-	-	Department of Statistics, Feng Chia University/ General Manager, Bank of Panhsin.	-
General Manager, Houpu Branch	R.O.C	Cheng-Lung Yeh	2021.02.01	24,696	0.00	-	-	Department of International Trade, Tamkang University/ General Manager, Bank of Panhsin.	-
General Manager, Yonghe Branch	R.O.C	Shu-Min Liu	2017.05.10	74,960	0.00	-	-	Executive master of business administration, National Yang Ming Chiao Tung University/ General Manager, Bank of Panhsin.	-
General Manager, Puqian Branch	R.O.C	Ling-Hui Kao	2020.07.22	70,342	0.00	-	-	Master, Social sciences, Administrative management, National Chengchi University/ General Manager, Bank of Panhsin.	-
General Manager, Huajiang Branch	R.O.C	Yi-Min Wan	2015.01.26	95,172	0.01	18,781	0.00	Department of International Trade, Chihlee Business Vocational School/ General Manager, Bank of Panhsin.	-
General Manager, Minzu Branch	R.O.C	Fang-Li Cheng	2021.02.01	37,574	0.00	-	-	Master, Department of International Business, Tamkang University/ General Manager, Bank of Panhsin	-
General Manager, Zhonghe Branch	R.O.C	Ya-hui Wang	2022.04.06	6,216	0.00	-	-	Department of Economics, Chinese Culture University/ General Manager, Bank of Panhsin	-
General Manager, Tucheng Branch	R.O.C	Jung-Tien Shiao	2020.03.30	38,437	0.00	-	-	Master, Institute of Economics, National Taiwan University/ General Manager, Bank of Panhsin	-
General Manager, Wenhua Branch	R.O.C	Chun-Nan Pan	2021.02.01	11,018	0.00	-	-	Department of Economics, Tunghai University/ General Manager, Bank of Panhsin	-
General Manager, Daguan Branch	R.O.C	Ying-An Hsieh	2016.01.25	38,204	0.00	21,513	0.00	Department of Economics, Fu Jen Catholic University/ General Manager, Bank of Panhsin	-

Position	Nationality	Name	On-Board Date	Shares held		Shares held by spouse and underage children		Major career (academic) achievements	Current job position in other companies
				No. of shares	Percentage of shares	No. of shares	Percentage of shares		
General Manager, Xingnan Branch	R.O.C	Chi-Ching Chuang	2021.06.28	15,389	0.00	-	-	Master, Department of Finance and International Business, Fu Jen Catholic University/ General Manager, Bank of Panhsin	-
General Manager, Xiaokang Branch	R.O.C	Mei-Hao Wang	2018.01.29	27,375	0.00	-	-	Master, Institute of Wealth Taxation Management, National Kaohsiung Applied Sciences University/ General Manager, Bank of Panhsin	-
E.V.P. & General Manager, Xingxing Branch	R.O.C	Wen-Chung Huang	2022.04.01	-	-	-	-	Department of Applied Business, Open College Affiliated With National Taichung Institute of Technology/ E.V.P. & General Manager, Bank of Panhsin	-
General Manager, Qianzhen Branch	R.O.C	Chien-Tai Su	2018.01.29	42,495	0.00	-	-	Department of Financial, National Sun Yat-Sen University/ General Manager, Bank of Panhsin	-
General Manager, Yangming Branch	R.O.C	Ching-Shun Wang	2016.04.25	42,675	0.00	-	-	Department of Enterprise Management, Fu Jen Catholic University/ General Manager, Bank of Panhsin	-
General Manager, Kaoxizhuang Branch	R.O.C	Hsian-Chin Kuo	2018.01.29	59,586	0.00	-	-	Department of Finance and Banking, Shih Chien University/ General Manager, Bank of Panhsin	-
General Manager, Nangang Branch	R.O.C	Ming-Chou Tsai	2020.07.13	30,614	0.00	-	-	Department of Statistic, Tamkang University/ General Manager, Bank of Panhsin	-
General Manager, Xinyi Branch	R.O.C	Eric Liu	2020.01.20	69,983	0.00	-	-	Department of Finance, Takming University of Science and Technology/ General Manager, Bank of Panhsin	-
General Manager, Xinzhuang Branch	R.O.C	I-Ching Lin	2021.12.20	-	-	-	-	Department of Business Administration, Chaoyang University of Technology/ General Manager, Bank of Panhsin	-
General Manager, Xiulang Branch	R.O.C	Ping-Hung Tsao	2018.01.29	78,659	0.00	7,675	0.00	Master, Graduate Institute of Economics, Chinese Culture University/ General Manager, Bank of Panhsin	-
General Manager, Taoyuan Branch	R.O.C	Yi-Pong Yu	2018.11.26	52,023	0.00	-	-	Department of Banking and Insurance, Hsing Wu Business Vocational School/ General Manager, Bank of Panhsin	-

Position	Nationality	Name	On-Board Date	Shares held		Shares held by spouse and underage children		Major career (academic) achievements	Current job position in other companies
				No. of shares	Percentage of shares	No. of shares	Percentage of shares		
General Manager, Sanchong Branch	R.O.C	Ming-Dao Luo	2021.02.01	7,026	0.00	-	-	Department of Law, Fu Jen Catholic University/ General Manager, Bank of Panhsin	
General Manager, Yuanshan Branch	R.O.C	Pei-Yun Lin	2018.08.01	9,728	0.00	-	-	Department of Finance and Banking, Tamkang University/ General Manager, Bank of Panhsin	-
General Manager, Taoying Branch	R.O.C	Chun-Hung Chen	2018.11.22	15,868	0.00	-	-	Department of Economics, Feng Chia University/ General Manager, Bank of Panhsin	-
E.V.P. & General Manager, Minsheng Branch	R.O.C	Henry Chien	2020.01.20	-	-	-	-	Department of Transportation and Engineering, National Chiao Tung University/ E.V.P. & General Manager, Bank of Panhsin	-
General Manager, Longgang Branch	R.O.C	June-Fang Chien	2018.01.29	29,068	0.00	-	-	Department of Industrial Economics, Tamkang University/ General Manager, Bank of Panhsin	-
General Manager, Shulin Branch	R.O.C	Chih-Chieh Hsu	2022.04.06	7,026	0.00	-	-	Department of Tourism Business, Hsing Wu junior College of Commerce School/ General Manager, Bank of Panhsin	-
General Manager, Jincheng Branch	R.O.C	Jui-Ching Li	2019.02.23	3,511	0.00	-	-	Department of Finance and Banking, Tamkang University/ General Manager, Bank of Panhsin	-
General Manager, Hsinchu Branch	R.O.C	Ming-Hsing Shih	2020.01.20	67,343	0.00	-	-	Department of Accounting, Chung Yuan Christian University/ General Manager, Bank of Panhsin	-
General Manager, Bade Branch	R.O.C	Rui-Dian Chen	2020.01.20	100,863	0.01	-	-	Master, Department of International Business, Tamkang University/ General Manager, Bank of Panhsin	-
E.V.P. & General Manager, Taichung Branch	R.O.C	Hsiu-Ching Hsu	2020.09.01	-	-	-	-	Master, Department of Management, Chung Hua University/ E.V.P. & General Manager, Bank of Panhsin	-
General Manager, Tainan Branch	R.O.C	Chin-Chu Wu	2022.04.01	36,175	0.00	-	-	Department of International Business, Feng Chia University/ General Manager, Bank of Panhsin	-
General Manager, Xindian Branch	R.O.C	Chao-Chung Lin	2018.11.22	71,260	0.00	-	-	Department of Accounting, Feng Chia University/ General Manager, Bank of Panhsin	-

Position	Nationality	Name	On-Board Date	Shares held		Shares held by spouse and underage children		Major career (academic) achievements	Current job position in other companies
				No. of shares	Percentage of shares	No. of shares	Percentage of shares		
General Manager, Neihu Branch	R.O.C	Heng-Yu Chang	2016.03.01	24,923	0.00	-	-	Master, Executive of Business Administration, National Chengchi University/ General Manager, Bank of Panhsin	-
General Manager, Zhongzheng Branch	R.O.C	Tommy Chen	2018.09.25	7,107	0.00	-	-	Master, Department of Management, National Taipei University/ General Manager, Bank of Panhsin	-
General Manager, Chiayi Branch	R.O.C	Hung-Chang Chiang	2022.08.30	19,017	0.00	-	-	Department of Finance and Banking, Tatung Institute of Technology/ General Manager, Bank of Panhsin	-
General Manager, Yanchao Branch	R.O.C	Lu-shan Lai	2022.04.06	-	-	-	-	Department of Risk Management and Insurance, National Kaohsiung First University of Science and Technology/ General Manager, Bank of Panhsin	-
General Manager, Luchou Branch	R.O.C	Cheng-Lung Lin	2021.03.01	11,878	0.00	-	-	Department of Statistics, Tamkang University/ General Manager, Bank of Panhsin	-
General Manager, Luodong Branch	R.O.C	Te-Wei Lee	2019.02.23	583,572	0.04	-	-	Department of Theatre Arts, Chinese Culture University/ General Manager, Bank of Panhsin	-
General Manager, North Taichung Branch	R.O.C	Fu-Yuan Shih	2020.09.01	49,330	0.00	-	-	Department of Agribusiness Management, National Pingtung Institute Of Commerce/ General Manager, Bank of Panhsin	-
General Manager, Chenggone Branch	R.O.C	Tsung-Che Tsai	2016.07.25	17,797	0.00	-	-	Department of Business Administration, National Chung Hsing University/ General Manager, Bank of Panhsin	-
General Manager, Fuhe Branch	R.O.C	Wei-Hsin Chung	2019.02.23	2,465	0.00	-	-	Department of Economics, Tunghai University/ General Manager, Bank of Panhsin	-
General Manager, Ruiguang Branch	R.O.C	Mou-Chung Chou	2017.04.24	9,450	0.00	-	-	Department of Business Administration, Chinese Culture University/ General Manager, Bank of Panhsin	-
General Manager, Danfeng Branch	R.O.C	Joe Harn	2019.02.23	16,942	0.00	-	-	Master, Department of Banking and Finance, Tamkang University/ General Manager, Bank of Panhsin	-

Position	Nationality	Name	On-Board Date	Shares held		Shares held by spouse and underage children		Major career (academic) achievements	Current job position in other companies
				No. of shares	Percentage of shares	No. of shares	Percentage of shares		
General Manager, Beixin Branch	R.O.C	Yueh-Chin Ho	2018.09.25	27,691	0.00	-	-	Master, Department of Land Management, Feng Chia University/ General Manager, Bank of Panhsin	-
E.V.P. & General Manager, Mengchia Branch & Hsimen Branch	R.O.C	Shu-Chuan Wei	2020.01.20	176,263	0.01	4,580	0.00	Department of Banking and Insurance, National Taipei University of Business/ E.V.P. & General Manager, Bank of Panhsin	-
General Manager, Hsinglung Branch	R.O.C	Chung-Wei Liao	2018.11.26	52,950	0.00	-	-	Department of Real Estate and Built Environment, National Chung Hsing University/ General Manager, Bank of Panhsin	-
General Manager, Shuangyuan Branch	R.O.C	Fang-Ming Huang	2016.06.27	75,528	0.00	510	0.00	Master, Department of Business Administration and Service Industry Management, Chihlee University of Technology/ General Manager, Bank of Panhsin	-
General Manager, Kuting Branch	R.O.C	Ming-Jen Chen	2019.02.23	13,654	0.00	-	-	Department of Accounting Statistics, Tamsui Institute of Business Administration/ General Manager, Bank of Panhsin	-
General Manager, Antung Branch	R.O.C	Jason Lee	2018.09.25	18,256	0.00	-	-	Master, Department of Financial Management, National Chi Nan University/ General Manager, Bank of Panhsin	-
General Manager, Sungshan Branch	R.O.C	Su-Chen Chen	2022.04.06	53,923	0.00	-	-	International Trade Section, Takming University of Science and Technology/ General Manager, Bank of Panhsin	-
General Manager, Shinlin Branch	R.O.C	Ya-Ching Chen	2020.07.22	30,139	0.00	-	-	Department of Business Management, Cheng Shiu University/ General Manager, Bank of Panhsin	-
General Manager, Tunghu Branch	R.O.C	Pi-Chuan Hsu	2019.02.23	71,260	0.00	-	-	Department of Accounting, Soochow University/ General Manager, Bank of Panhsin	-
General Manager, Fuxing Branch	R.O.C	Ying-Chi Chen	2018.11.26	7,221	0.00	-	-	Department of Statistics, Ming Chuan University/ General Manager, Bank of Panhsin	-
General Manager, Minquan Branch	R.O.C	Anthony Chang	2018.01.29	9,689	0.00	-	-	Department of Business Administration, Chinese Culture University/ General Manager, Bank of Panhsin	-

Position	Nationality	Name	On-Board Date	Shares held		Shares held by spouse and underage children		Major career (academic) achievements	Current job position in other companies
				No. of shares	Percentage of shares	No. of shares	Percentage of shares		
General Manager, Chungching Branch	R.O.C	Hui-Mei Liu	2021.02.01	146,398	0.01	-	-	Department of Business Information Division, Open College Affiliated with National Taipei University of Business/ General Manager, Bank of Panhsin	-
General Manager, Mucha Branch	R.O.C	Ching-Ping Tsai	2020.01.20	36,938	0.00	-	-	Department of Economics, Soochow University/ General Manager, Bank of Panhsin	-
General Manager, Huandong Branch	R.O.C	Ming-Hsuan Huang	2020.10.21	34,891	0.00	-	-	Department of Finance, Lunghwa University of Science and Technology/ General Manager, Bank of Panhsin	-
General Manager, Tachih Branch	R.O.C	Kuang-Chung Huo	2018.01.29	85,618	0.01	-	-	Ph.D.Programs in Management, National Kaohsiung First University of Science and Technology/ General Manager, Bank of Panhsin	-
General Manager, Wanta Branch	R.O.C	Shih-Yang Chien	2020.07.22	2,426	0.00	-	-	Department of Banking and Finance, Tamkang University/ General Manager, Bank of Panhsin	-
General Manager, Xizhi Branch	R.O.C	Daniel Lai	2018.09.10	18,000	0.00	-	-	Master, Executive Master of Business Administration, National Chung-Hsing University/ General Manager, Bank of Panhsin	-
General Manager, Nanjing E. Road Branch	R.O.C	Ming-Hung Lin	2022.02.24	12,809	0.00	-	-	Department of Information Management, Chaoyang University of Technology/ General Manager, Bank of Panhsin	-
General Manager, North Taoyuan Branch	R.O.C	Nai-Che Cheng	2020.07.01	1,237	0.00	-	-	Master, Department of Economics, National Tsing Hua University/ General Manager, Bank of Panhsin	-
General Manager, Miaoli Branch	R.O.C	Allen Chen	2019.12.16	-	-	-	-	Department of Finance and Banking, Yu Da University of Business/ General Manager, Bank of Panhsin	-

Note 1 : "Shares held by nominee shareholders" & "Any other manager, director, or supervisor whose spouse or family members within the second degree of kinship": N/A.

Note 2 : "Where chairman of the board and (president or person of an equivalent post—the highest level manager) are the same person, spouses, or relatives within the first degree of kinship": N/A.

IV 、Equity transfers and changes of equity interests in the most recent financial year up till the publication date of this annual report (2023.02.28), by Directors, Supervisors, Managers, and those needing to declare equity in accordance with Article 11 of the "Regulations Governing Significant Ownership of Voting Rights over Banks by Individual Parties and Aggregate Related Parties"

(I) Changes of equity interests by Directors, Supervisors, Managers, and those needing to declare equity in accordance with Article 11 of the "Regulations Governing Significant Ownership of Voting Rights over Banks by Individual Parties and Aggregate Related Parties"

Baseline date: February 28, 2023

Position	Name	2022		By the end of February 2023	
		Increase/Decrease in the No. of Shares Held	Increase/Decrease in the No. of Pledged Shares Held	Increase/Decrease in the No. of Shares Held	Increase/Decrease in the No. of Pledged Shares Held
Chairman	Hsinhui Construction Co., Ltd.	64,401	-	-	-
Representative of corporate Chairman	Ming-Daw Chang	140,402	-	-	-
Managing Director	Dai-Ming Kuo	492,955	-	-	-
Director	Shiaan-Jung Chiou	74,293	-	-	-
Director	Tung-Jen Lin	534,321	-	-	-
Director	Yao-Chih Chu	226,180	-	75,394	-
Director	Hanchia Construction Co., Ltd.	3,938	-	-	-
Representative of corporate Director	Biing-Hwa Liu	24,686	-	-	-
Director	Yao Chen International Ltd	737,847	-	-	-
Representative of corporate Director	Lin-Long Chien	-	-	-	-
Managing Director (Major shareholder)	Sanlight Construction Co., Ltd.	2,097,586	-	-	-
Representative of corporate Managing Director (Major shareholder)	Mei-Yun Liao	1,901,321	20,000,000 (16,620,000)	-	-
Director	Tianlu Construction Ltd.	15,388	-	-	-
Representative of corporate Director	Yueh-Shuang Chiu	538,628	-	-	-
An individual who needs to declare equity in accordance with Article 11 of the "Regulations Governing Significant Ownership of Voting Rights over Banks by Aggregate Related Parties" (Major shareholder)	Ping-Hui Liu	2,615,278 (7,000,000)	(29,250,000)	-	13,040,000
	Baiyuan Investment Co., Ltd.	28,503,756	24,068,000	-	-
	Fuching Investment Co., Ltd.	10,042,581 (8,500,000)	3,100,000 (2,000,000)	-	8,400,000
	Jingqing Investment Co., Ltd.	4,496,416	3,242,000 (7,420,000)	137,000	3,870,000
	Yuanmao Construction Co., Ltd.	1,275,316	(21,500,000)	-	-
	Yuanchih Investment Co., Ltd.	9,173,987 (6,500,000)	23,785,000 (4,600,000)	-	-
	Sun Hui Construction Co., Ltd.	3,853,028	(2,300,000)	-	-

Position	Name	2022		By the end of February 2023	
		Increase/Decrease in the No. of Shares Held	Increase/Decrease in the No. of Pledged Shares Held	Increase/Decrease in the No. of Shares Held	Increase/Decrease in the No. of Pledged Shares Held
An individual who needs to declare equity in accordance with Article 11 of the "Regulations Governing Significant Ownership of Voting Rights over Banks by Aggregate Related Parties"	Sanjun Construction Co., Ltd.	-	-	-	-
	Hsiu-Lan Liu	1,826	-	-	-
	Shun-Chih Liu	20	-	-	-
	Hsiu-Hsia Liu	3,497	-	-	-
	Si-Hui Liu	256,129	-	-	-
	Chao-Hsuan Liu	20,199	-	-	-
	Chao-Tong Liu	14,459	-	-	-
	Ke-Huang Liao	797	-	-	-
	Wei-Qi Hong	10,971	-	-	-
	Chia-Nan Fang	1,109,174	-	-	-
President (Major shareholder)					
S.E.V.P.	Li-Chin Wei	7,462	-	-	-
Chief Auditor	Hsin-Mao Huang	10,925	-	-	-
S.E.V.P.	Chi-Hsun Chang	9,004	-	-	-
General Manager	Shu-Yu Wu	817	-	-	-
General Manager	Sharon Chen	879	-	-	-
General Manager	Yun-Mei Meng	1,946	-	-	-
General Manager	Mao-Sen Kao	9,683	-	-	-
General Manager	Chia-Hui Lee	-	-	-	-
General Manager	Shih-Yang Liu	1,430	-	-	-
General Manager	Ryan Chang	4,170	-	-	-
General Manager	Yi-Fang Wen	593	-	-	-
General Manager	Shing-Fen Lin	2,538	-	-	-
E.V.P. & General Manager	Chung-Wei Wang	3,488	-	-	-
General Manager	Mei-Yu Hsiao	1,432	-	-	-
General Manager	Ta-Huang Chen	2,973	-	-	-
General Manager	Chu-Hui Li	1,694	-	-	-
General Manager	Chiung-Chi Huang	3,612	-	-	-
General Manager	Kevin Lee	6,166	-	-	-
General Manager	Yu-yun Ouyang	582	-	-	-
General Manager	Yu-Tsi Yo	1,668	-	-	-
General Manager	Su-Ching Chien	2,655	-	-	-
General Manager	Cheng-Lung Yeh	1,228	-	-	-
General Manager	Shu-Ming Liu	3,728	-	-	-
General Manager	Ling-Hui Kao	3,498	-	-	-
General Manager	Yi-Min Wan	4,733	-	-	-

Position	Name	2022		By the end of February 2023	
		Increase/Decrease in the No. of Shares Held	Increase/Decrease in the No. of Pledged Shares Held	Increase/Decrease in the No. of Shares Held	Increase/Decrease in the No. of Pledged Shares Held
General Manager	Fang-Li Cheng	1,868	-	-	-
General Manager	Ya-hui Wang	309	-	-	-
General Manager	Jung-Tien Shiao	1,911	-	-	-
General Manager	Chun-Nan Pan	548	-	-	-
General Manager	Ying-An Hsieh	1,900	-	-	-
General Manager	Chi-Ching Chuang	765	-	-	-
General Manager	Mei-Hao Wang	1,361	-	-	-
E.V.P. & General Manager	Wen-Chung Huang	-	-	-	-
General Manager	Chien-Tai Su	2,113	-	-	-
General Manager	Ching-Shun Wang	2,122	-	-	-
General Manager	Hsian-Chin Kuo	2,963	-	-	-
General Manager	Ming-Chou Tsai	1,522	-	-	-
General Manager	Eric Liu	3,480	-	-	-
General Manager	I-Ching Lin	-	-	-	-
General Manager	Ping-Hung Tsao	3,912	-	-	-
General Manager	Yi-Pong Yu	2,587	-	-	-
General Manager	Ming-Dao Luo	349	-	-	-
General Manager	Pei-Yun Lin	483	-	-	-
General Manager	Chun-Hung Chen	789	-	-	-
E.V.P. & General Manager	Henry Chien	-	-	-	-
General Manager	June-Fang Chien	1,445	-	-	-
General Manager	Chih-Chieh Hsu	349	-	-	-
General Manager	Jui-Ching Li	174	-	-	-
General Manager	Ming-Hsing Shih	3,349	-	-	-
General Manager	Rui-Dian Chen	5,016	-	-	-
E.V.P. & General Manager	Hsiu-Ching Hsu	-	-	-	-
General Manager	Chin-Chu Wu	1,799	-	-	-
General Manager	Chao-Chung Lin	3,544	-	-	-
General Manager	Heng-Yu Chang	1,239	-	-	-
General Manager	Tommy Chen	353	-	-	-
General Manager	Hung-Chang Chiang	945	-	-	-
General Manager	Lu-shan Lai	-	-	-	-
General Manager	Cheng-Lung Lin	590	-	-	-
General Manager	Te-Wei Lee	516,057	-	-	-
General Manager	Fu-Yuan Shih	2,453	-	-	-
General Manager	Tsung-Che Tsai	885	-	-	-
General Manager	Wei-Hsin Chung	122	-	-	-

Position	Name	2022		By the end of February 2023	
		Increase/Decrease in the No. of Shares Held	Increase/Decrease in the No. of Pledged Shares Held	Increase/Decrease in the No. of Shares Held	Increase/Decrease in the No. of Pledged Shares Held
General Manager	Mou-Chung Chou	470	-	-	-
General Manager	Joe Harn	842	-	-	-
General Manager	Yueh-Chin Ho	1,377	-	-	-
E.V.P. & General Manager	Shu-Chuan Wei	8,767	-	-	-
General Manager	Chung-Wei Liao	2,633	-	-	-
General Manager	Fang-Ming Huang	3,756	-	-	-
General Manager	Ming-Jen Chen	679	-	-	-
General Manager	Jason Lee	908	-	-	-
General Manager	Su-Chen Chen	2,682	-	-	-
General Manager	Ya-Ching Chen	1,499	-	-	-
General Manager	Pi-Chuan Hsu	3,544	-	-	-
General Manager	Ying-Chi Chen	359	-	-	-
General Manager	Anthony Chang	481	-	-	-
General Manager	Hui-Mei Liu	7,281	-	-	-
General Manager	Ching-Ping Tsai	1,837	-	-	-
General Manager	Ming-Hsuan Huang	1,735	-	-	-
General Manager	Kuang-Chung Huo	4,258	-	-	-
General Manager	Shih-Yang Chien	120	-	-	-
General Manager	Daniel Lai	895	-	-	-
General Manager	Ming-Hung Lin	637	-	-	-
General Manager	Nai-Che Cheng	61	-	-	-
General Manager	Allen Chen	-	-	-	-

(II) Equity Transfer Information

Baseline date: February 28, 2023

Name	Reason for transfer	Transaction date	Counterparty	Relationship between counterparty and the bank, Directors, Supervisors, Managers, and those needing to declare equity in accordance with Article 11 of the "Regulations Governing Significant Ownership of Voting Rights over Banks by Individual Parties and Aggregate Related Parties"	No. of shares (shares)
Ping-Hui Liu	Disposal	2022.10.13	Baiyuan Investment Co., Ltd.	Same related persons	7,000,000
Baiyuan Investment Co., Ltd.	Acquisition	2022.10.13	Yuanchih Investment Co., Ltd.	Same related persons	6,500,000
Baiyuan Investment Co., Ltd.	Acquisition	2022.10.13	Ping-Hui Liu	Same related persons	7,000,000
Baiyuan Investment Co., Ltd.	Acquisition	2022.10.13	Fuching Investment Co., Ltd.	Same related persons	8,500,000
Fuching Investment Co., Ltd.	Disposal	2022.10.13	Baiyuan Investment Co., Ltd.	Same related persons	8,500,000
Yuanchih Investment Co., Ltd.	Disposal	2022.10.13	Baiyuan Investment Co., Ltd.	Same related persons	6,500,000
Te-Wei Lee	Acquisition	2022.11.18	Bi-Yu Li Yang	The first degree of kinship	512,524

(III) Equity pledge information : The counterparties of equity pledge are not related parties, thus it is not applicable.

V · Percentage of shares held by the top-10 shareholders related persons, spouses, or family members within the second degree of kinship

Baseline date: December 31, 2022

Name	Shareholding		Shares held by spouse and underage children		Total shareholding by nominee arrangement		Titles, names, and relationship of parties, spouse, relative of the second degree or closer, in relation to top 10 shareholders.	
	No. of shares (shares)	Percentage of shares	No. of shares (shares)	Percentage of shares	No. of shares (shares)	Percentage of shares	Name	Relationship
Representative of Fuching Investment Co., Ltd.: Wei-Ren Liao	183,350,188	11.02	-	-	-	-	Baiyuan Investment Co., Ltd.	Chairman Same person
Representative of Yuanchih Investment Co., Ltd.: Mei-Yun Liao	177,939,731	10.69	-	-	-	-	Mei-Yun Liao	Chairman
							Ping-Hui Liu	Spouse is the Chairman
							Sanlight Construction Co., Ltd.	Chairman Same person
							Representative of Sun Hui Construction Co., Ltd.: Chao-Tong Liu	Second degree of kinship
Representative of Baiyuan Investment Co., Ltd.: Wei-Ren Liao	150,710,329	9.06	-	-	-	-	Fuching Investment Co., Ltd.	Chairman Same person
Representative of Sun Hui Construction Co., Ltd.: Chao-Tong Liu	77,463,754	4.66	-	-	-	-	Mei-Yun Liao	Second degree of kinship
							Ping-Hui Liu	
							Representative of Yuanchih Investment Co., Ltd.: Mei-Yun Liao	
							Representative of Sanlight Construction Co., Ltd.: Mei-Yun Liao	
Representative of Jingqing Investment Co., Ltd.: Chung-Er Lin	47,013,639	2.83	-	-	-	-	Yuanmao Construction Co., Ltd.	Chairman Same person
Ping-Hui Liu	45,579,238	2.74	38,225,380	2.3	-	-	Representative of Yuanchih Investment Co., Ltd.: Mei-Yun Liao	Spouse is the Chairman
							Representative of Sanlight Construction Co., Ltd.: Mei-Yun Liao	Second degree of kinship
							Representative of Sun Hui Construction Co., Ltd.: Chao-Tong Liu	
							Mei-Yun Liao	Spouse
Representative of Sanlight Construction Co., Ltd.: Mei-Yun Liao	42,171,231	2.53	-	-	-	-	Mei-Yun Liao	Chairman Spouse is the Chairman
							Ping-Hui Liu	Chairman Same person
							Representative of Yuanchih Investment Co., Ltd.: Mei-Yun Liao	
							Representative of Sun Hui Construction Co., Ltd.: Chao-Tong Liu	Second degree of kinship
Mei-Yun Liao	38,225,380	2.30	45,579,238	2.74	-	-	Yuanchih Investment Co., Ltd.	Chairman
							Sanlight Construction Co., Ltd.	
							Representative of Sun Hui Construction Co., Ltd.: Chao-Tong Liu	Second degree of kinship
							Ping-Hui Liu	Spouse
Representative of Yuanmao Construction Co., Ltd.: Chung-Er Lin	25,639,784	1.54	-	-	-	-	Jingqing Investment Co., Ltd.	Chairman Same person
Chia-Nan Fang	22,299,548	1.34	9,471,089	0.57	-	-	-	-

VI、Numbers of shares in the subsidiaries held by the Bank, the Bank's Directors, Supervisors, President, S.E.V.P., E.V.P. & General Manager, heads of departments and branch offices, and entities directly or indirectly controlled by the Bank, with the total percentage of shares on a consolidated basis

Baseline date: December 31, 2022

Investment Transfer	Investment by Bank of Panhsin		Investment by Directors, Supervisors, President, S.E.V.P., E.V.P. & General Managers, heads of departments and branch offices, and entities directly or indirectly controlled by the Bank		Consolidated Investment	
	No. of shares (shares)	Percentage of shares	No. of shares (shares)	Percentage of shares	No. of shares (shares)	Percentage of shares
Hsinruidu Development Co., Ltd.	4,940,000	1.86	-	-	4,940,000	1.86
Financial Information Service Co., Ltd.	6,104,228	1.17	-	-	6,104,228	1.17
Taiwan Depository & Clearing Corporation	484,550	0.08	-	-	484,550	0.08
Yangguang Asset Management Co., Ltd.	69,180	1.15	-	-	69,180	1.15
Taiwan Mobile Payment Co., Ltd.	300,000	0.50	-	-	300,000	0.50
Panhsin Asset Management Co., Ltd.	56,000,000	100.00	-	-	56,000,000	100.00
Panhsin International Leasing Co., Ltd.	41,407,500	100.00	-	-	41,407,500	100.00

Note1 : Investment made in accordance with Article 74 of the Banking Act.

Note2 : Hsinruidu Development Co., Ltd. has gone bankrupt, the investment cost of the account was NT\$4,940,000. the Bank has recognized the cumulative impairment of NT\$4,940,000. and the net book value is zero.

Fund raising

I、Capital and Shares

(I) Sources of capital

Year/ Month	Issue price	Authorized capital		Paid-in capital		Note		
		No. of shares (thousand shares)	Amount (NT\$1,000)	No. of shares (thousand shares)	Amount (NT\$1,000)	Sources of capital		Others
1997.09	10	600,000	6,000,000	600,000	6,000,000	-	(Note 1)	N/A
2005.06	10	819,800	8,198,000	819,800	8,198,000	the capital increase by surplus/ Cash Capital Increase	(Note 2)	N/A
2006.07	10	1,500,000	15,000,000	819,800	8,198,000	change capital amount	(Note3)	N/A
2006.09	10	1,500,000	15,000,000	855,790	8,557,900	the capital reserves transferred to capital	(Note3)	N/A
2006.12	10	1,500,000	15,000,000	955,790	9,557,900	Cash Capital Increase	(Note4)	N/A
2011.05	10	1,500,000	15,000,000	1,055,790	10,557,900	Cash Capital Increase	(Note5)	N/A
2011.06	10	1,500,000	15,000,000	955,790	9,557,900	preferred shares expired and were redeemed	(Note5)	N/A
2014.05	10	1,500,000	15,000,000	1,105,790	11,057,900	Cash Capital Increase	(Note6)	N/A
2015.08	10	1,500,000	15,000,000	1,141,175	11,411,753	the capital increase by surplus	(Note7)	N/A
2015.12	10	1,500,000	15,000,000	1,221,175	12,211,753	Cash Capital Increase	(Note8)	N/A
2016.11	10	1,800,000	18,000,000	1,262,695	12,626,952	the capital increase by surplus	(Note9)	N/A
2017.08	10	1,800,000	18,000,000	1,276,584	12,765,848	the capital increase by surplus	(Note10)	N/A
2017.11	10	1,800,000	18,000,000	1,356,584	13,565,848	Cash Capital Increase	(Note11)	N/A
2018.09	10	1,800,000	18,000,000	1,375,577	13,755,770	the capital increase by surplus	(Note12)	N/A
2018.12	10	1,800,000	18,000,000	1,420,577	14,205,770	Cash Capital Increase	(Note13)	N/A
2019.09	10	1,800,000	18,000,000	1,444,654	14,446,542	the capital increase by surplus	(Note14)	N/A
2020.08	10	1,800,000	18,000,000	1,508,682	15,086,826	the capital increase by surplus	(Note15)	N/A
2021.10	10	1,800,000	18,000,000	1,581,155	15,811,552	the capital increase by surplus	(Note16)	N/A
2022.08	10	1,800,000	18,000,000	1,663,918	16,639,181	the capital increase by surplus	(Note17)	N/A

Note 1 : Transformation of Panchiao Credit Cooperative.

Note 2 : With June 20, 2005 as the baseline date for capital increase, the capital increase by surplus was NT\$198,000,000; approval was received from FSC on June 24, 2005 in accordance with Jing-Guan-Yin (3) Letter No. 0940015799. With June 24, 2005 as the baseline date for capital increase, the capital increase by issuing of preferred shares was NT\$1,000,000,000. With June 24, 2005 as the baseline date for capital increase, the capital increase by issuing of common stock was NT\$1,000,000,000; approval was received from FSC on September 10, 2004 in accordance with Jing-Guan-Yin (3) Letter No. 0938011560.

Note 3 : On June 20, 2006, the shareholders' meeting passed the resolution to change capital amount to NT\$15 billion; with September 1, 2006 as the baseline date for capital increase, the capital reserves transferred to capital totaled to NT\$359,900,000; approval was received from FSC on July 18, 2006 in accordance with Jing-Guan-Yin (3) Letter No. 09500320330.

Note 4 : With December 28, 2006 as the baseline date for capital increase, the capital increase by issuing of common stock was NT\$1,000,000,000; approval was received from FSC in accordance with Jin-Guan-Yin (3) Letter No. 09500439170 on October 3, 2006 and Jin-Guan-Zheng-Yi-Zi Letter No. 0950150935 on November 14, 2006.

Note 5 : With June 16, 2011 as the baseline date for capital increase, the capital increase by issuing of common stock was NT\$1,000,000,000; approval was received from FSC on May 4, 2011 in accordance with Jing-Guan-Zheng-Fa-Zi Letter No. 1000016060; NT\$1,000,000,000 of preferred shares expired on June 23, 2011 and were redeemed as share prices obtained from issuing of new shares on June 16, 2011.

Note 6 : With May 27, 2014 as the baseline date for capital increase, the capital increase by issuing of common stock was NT\$1,500,000,000; approval was received from FSC on April 11, 2014 in accordance with Jing-Guan-Zheng-Fa-Zi Letter No. 1030009692.

Note 7 : With August 28, 2015 as the baseline date for capital increase, the capital increase by surplus was NT\$353,853,000; approval was received from FSC on August 5, 2015 in accordance with Jing-Guan-Zheng-Fa-Zi Letter No. 1040028772.

Note 8 : With December 10, 2015 as the baseline date for capital increase, the capital increase by issuing of common stock was NT\$800,000,000; approval was received from FSC on October 13, 2015 in accordance with Jing-Guan-Zheng-Fa-Zi Letter No. 1040039950.

- Note 9 : On June-23, 2016, the shareholders' meeting passed the resolution to change capital amount to NT\$18 billion; with October 3, 2016 as the baseline date for capital increase, the capital increase by surplus was NT\$415,199,000; approval was received from FSC on September 13, 2016.
- Note 10 : With August 7, 2017 as the baseline date for capital increase, the capital increase by surplus was NT\$138,896,000; approval was received from FSC on July 20, 2017.
- Note 11 : With November 16, 2017 as the baseline date for capital increase, the capital increase by issuing of common stock was NT\$800,000,000; approval was received from FSC on September 12, 2017 in accordance with Jing-Guan-Zheng-Fa-Zi Letter No. 1060034708.
- Note 12 : With September 3, 2018 as the baseline date for capital increase, the capital increase by surplus was NT\$189,922,000; approval was received from FSC on August 20, 2018.
- Note 13 : With December 27, 2018 as the baseline date for capital increase, the capital increase by issuing of common stock was NT\$450,000,000; approval was received from FSC on October 11, 2018 in accordance with Jing-Guan-Zheng-Fa-Zi Letter No. 1070336195.
- Note 14 : With September 3, 2019 as the baseline date for capital increase, the capital increase by surplus was NT\$240,772,000; approval was received from FSC on August 21, 2019.
- Note 15 : With August 17, 2020 as the baseline date for capital increase, the capital increase by surplus was NT\$640,283,000; approval was received from FSC on August 4, 2020.
- Note 16 : With October 25, 2021 as the baseline date for capital increase, the capital increase by surplus was NT\$724,726,000; approval was received from FSC on October 15, 2021.
- Note 17 : With August 19, 2022 as the baseline date for capital increase, the capital increase by surplus was NT\$827,628,000; approval was received from FSC on August 8, 2022.

Type \ Shares	Authorized capital (thousand shares)			Note
	Outstanding shares	Unissued shares	Total	
Common Stock	1,663,918,147	136,081,853	1,800,000,000	Became a public issuing company as of November 14, 2006

(II) Shareholder structure

Baseline date: December 31, 2022

Shareholder structure \ Quantity	Government agencies	Financial institutions	Other corporations	Individuals	Foreign institutions and foreigners	Total
Number of people	3	17	85	96,893	26	97,024
Number of shares held	7,601	577,453,698	194,132,644	891,999,349	324,855	1,663,918,147
Percentage of shares (%)	-	34.70	11.67	53.61	0.02	100.00

Note : Number of shares held was based on the 1,663,918,147 common stock issued by December 31, 2022.

(III) Equity Distribution (Denomination of NT\$10 per share)

Baseline date: December 31, 2022

Shareholding range	Number of shareholders	No. of shares held (shares)	Percentage of shares (%)
1 to 999	71,095	30,852,266	1.85
1,000 to 5,000	11,694	36,712,912	2.20
5,001 to 10,000	4,696	31,549,346	1.90
10,001 to 15,000	1,906	24,811,784	1.49
15,001 to 20,000	922	15,970,730	0.96
20,001 to 30,000	2,545	68,700,401	4.13
30,001 to 40,000	1,499	50,433,783	3.03
40,001 to 50,000	420	18,483,340	1.11
50,001 to 100,000	1,454	102,857,754	6.18
100,001 to 200,000	407	55,192,330	3.32
200,001 to 400,000	168	45,646,802	2.74
400,001 to 600,000	65	31,121,320	1.87
600,001 to 800,000	31	21,526,606	1.29
800,001 to 1,000,000	24	21,084,549	1.27
1,000,001 to 10,000,000	81	210,658,557	12.66
10,000,001 to 30,000,000	9	135,862,177	8.17
30,000,001 to 50,000,000	4	172,989,488	10.40
50,000,001 to 100,000,000	1	77,463,754	4.66
100,000,001 to 999,999,999	3	512,000,248	30.77
Total	97,024	1,663,918,147	100.00

Note : Number of shares held and percentage of shares were based on the 1,663,918,147 common stock issued by December 31, 2022.

(IV) Major shareholders

Baseline date: December 31, 2022

Shares Name of majority shareholders	No. of shares held (shares)	Percentage of shares (%)
Fuching Investment Co., Ltd.	183,350,188	11.02
Yuanchih Investment Co., Ltd.	177,939,731	10.69
Baiyuan Investment Co., Ltd.	150,710,329	9.06
Sun Hui Construction Co., Ltd.	77,463,754	4.66
Jingqing Investment Co., Ltd.	47,013,639	2.83
Ping-Hui Liu	45,579,238	2.74
Sanlight Construction Co., Ltd.	42,171,231	2.53
Mei-Yun Liao	38,225,380	2.30
Yuanmao Construction Co., Ltd.	25,639,784	1.54
Chia-Nan Fang	22,299,548	1.34
Jin An Nian Construction Co., Ltd.	18,196,377	1.09

Note 1 : List only shareholders with a shareholding ratio of more than 1% of the shareholders or shareholdings in the top 10.

Note 2 : Number of shares held and percentage of shares were based on the 1,663,918,147 common stock issued by December 31, 2022.

II 、 Issuance of financial instruments

Baseline date: December 31, 2022

Order of Share Issuance	15th	16th	17th
Term	2016 Term 1	2016 Term 2	2017 Term 1
Central competent authority	Jing-Guan-Yin-He-Zi		Jing-Guan-Yin-He-Zi
Approval date, Letter No.	2016.07.25, No.10500180450		2016.04.06, No.10500079110
Date of issue	2016.08.31	2016.09.30	2017.03.22
Denomination (NT\$)	NT\$1 million		
Place of issue and trading	R.O.C.		
Currency	TWD		
Issue price	Fully issued at denomination		
Total	NT\$1,216 million	NT\$410 million	NT\$397 million
Interest rate	Fixed : 4.75%		Fixed : 2.5%
Term	Maturity date: N/A		7 years Maturity date: 2024.03.22
Claim Priority	Second		
Terms of repayment	Redeemable after the issue date up to 5 years with approval		Lump-sum at maturity
Unpaid Balance	NT\$1,216 million	NT\$410 million	NT\$397 million
Previous-year paid-in capital	NT\$12,212 million		NT\$12,627 million
Previous-year net value after settlement	NT\$13,181 million		NT\$13,300 million
Contract Implementation	-		
Provisions for redemption or advanced settlement	Redeemable after the issue date up to 5 years with approval		-
Criteria for conversion and exchange	-		
Restrictive terms	Sales limited to the Professional Investor was defined under the "Regulations Governing Offshore Structured Products"		Sales target of this bond: Exclude natural persons who are non-professional investors ; the professional investors was defined under the "Regulations Governing Offshore Structured products" Article 3
Capital Allocation Plan	Adequate capital structure		
The ratio of the reported issue amount plus the balance of already issued and outstanding bonds to the net worth after final report of the preceding year (%)	44.88	47.99	46.79
Conformance to regulatory capital and its associated category	Yes, Category I		Yes, Category II
Name of credit rating institution, date of credit rating, and credit rating	Taiwan Ratings Corp.		
	2015.10.30		2016.10.26
	twBBB-		Long term:twBBB-/ Short term:twA-3

Order of Share Issuance	18th	19th	20th
Term	2017 Term 2	2017 Term 3	2017 Term 4
Central competent authority	Jing-Guan-Yin-He-Zi		
Approval date, Letter No.	2016.04.06, No.10500079110	2016.07.25, No.10500180450	
Date of issue	2017.03.31	2017.04.28	2017.07.21
Denomination (NT\$)	NT\$1 million		
Place of issue and trading	R.O.C.		
Currency	TWD		
Issue price	Fully issued at denomination		
Total	NT\$305 million	NT\$150 million	NT\$133 million
Interest rate	Fixed : 2.5%	Fixed : 4.75%	
Term	7 years Maturity date: 2024.03.31	Maturity date: N/A	
Claim Priority	Second		
Terms of repayment	Lump-sum at maturity	Redeemable after the issue date up to 5 years with approval	
Unpaid Balance	NT\$305 million	NT\$150 million	NT\$133 million
Previous-year paid-in capital	NT\$12,627 million		
Previous-year net value after settlement	NT\$13,300 million		
Contract Implementation	-		
Provisions for redemption or advanced settlement	-	Redeemable after the issue date up to 5 years with approval	
Criteria for conversion and exchange	-		
Restrictive terms	Sales target of this bond: Exclude natural persons who are non-professional investors ; the professional investors was defined under the “Regulations Governing Offshore Structured products” Article 3. "	Sales limited to the Professional Investor was defined under the "Regulations Governing Offshore Structured Products"	
Capital Allocation Plan	Adequate capital structure		
The ratio of the reported issue amount plus the balance of already issued and outstanding bonds to the net worth after final report of the preceding year (%)	49.08	50.21	51.21
Conformance to regulatory capital and its associated category	Yes, Category II	Yes, Category I	
Name of credit rating institution, date of credit rating, and credit rating	Taiwan Ratings Corp.		
	2016.10.26		
	Long term:twBBB-/ Short term:twA-3		

Order of Share Issuance	21th	22th
Term	2017 Term 5	2019 Term 1
Central competent authority	Jing-Guan-Yin-He-Zi	
Approval date, Letter No.	2017.07.14, No.10600163460	2019.04.02, No.10802046230
Date of issue	2017.11.15	2019.06.26
Denomination (NT\$)	NT\$10 million	
Place of issue and trading	R.O.C.	
Currency	TWD	
Issue price	Fully issued at denomination	
Total	NT\$700 million	NT\$660 million
Interest rate	Fixed : 2.50%	Fixed : 2.25%
Term	7 years Maturity date: 2024.11.15	7 years Maturity date: 2026.06.26
Claim Priority	Second	
Terms of repayment	Lump-sum at maturity	
Unpaid Balance	NT\$700million	NT\$660million
Previous-year paid-in capital	NT\$12,627 million	NT\$14,206 million
Previous-year net value after settlement	NT\$13,300 million	NT\$15,404 million
Contract Implementation	-	
Provisions for redemption or advanced settlement	-	
Criteria for conversion and exchange	-	
Restrictive terms	Sales target of this bond: Exclude natural persons who are non-professional investors ; the professional investors was defined under the “Regulations Governing Offshore Structured products” Article 3	
Capital Allocation Plan	Adequate capital structure	
The ratio of the reported issue amount plus the balance of already issued and outstanding bonds to the net worth after final report of the preceding year (%)	56.47	45.25
Conformance to regulatory capital and its associated category	Yes, Category II	
Name of credit rating institution, date of credit rating, and credit rating	Taiwan Ratings Corp.	
	2016.10.26	2018.10.29
	Long term:twBBB-/ Short term:twA-3	Long term:twBBB-/ Short term:twA-3

Order of Share Issuance	23th	24th
Term	2021 Term 1	2021 Term 2
Central competent authority	Jing-Guan-Yin-He-Zi	
Approval date, Letter No.	2020.10.19, No.1090227025	
Date of issue	2021.06.28	2021.09.29
Denomination (NT\$)	NT\$10 million	
Place of issue and trading	R.O.C.	
Currency	TWD	
Issue price	Fully issued at denomination	
Total	NT\$1,000 million	
Interest rate	Fixed : 1.50%	
Term	7 years Maturity date: 2028.06.28	7 years Maturity date: 2028.09.29
Claim Priority	Second	
Terms of repayment	Lump-sum at maturity	
Unpaid Balance	NT\$1,000 million	
Previous-year paid-in capital	NT\$15,087 million	
Previous-year net value after settlement	NT\$17,635 million	
Contract Implementation	-	
Provisions for redemption or advanced settlement	-	
Criteria for conversion and exchange	-	
Restrictive terms	Sales target of this bond: Exclude natural persons who are non-professional investors ; the professional investors was defined under the “Regulations Governing Offshore Structured products” Article 3	
Capital Allocation Plan	Adequate capital structure	
The ratio of the reported issue amount plus the balance of already issued and outstanding bonds to the net worth after final report of the preceding year (%)	28.19	33.86
Conformance to regulatory capital and its associated category	Yes, Category II	
Name of credit rating institution, date of credit rating, and credit rating	Taiwan Ratings Corp. 2020.10.12 Long term:twBBB/ Short term:twA-2	

Overview of Business Operation

I、Scope of business

(I) Primary business revenue breakdown

1. Deposit

Unit : NT\$ thousand

Category	End of December 2022		End of December 2021		Difference	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Growth rate (%)
Current Deposit	119,625,485	43.91	120,093,183	47.03	(467,698)	(0.39)
Check Deposit	2,113,379	0.78	2,173,049	0.85	(59,670)	(2.75)
Demand Deposit	54,308,690	19.93	55,297,565	21.65	(988,875)	(1.79)
Demand Savings Deposit	63,203,417	23.20	62,622,569	24.52	580,847	0.93
Time Deposit	152,520,866	55.98	134,716,614	52.75	17,804,252	13.22
Time Deposit	68,326,024	25.08	55,053,167	21.56	13,272,857	24.11
Negotiable Certificates of Deposit (NCD)	334,300	0.12	310,900	0.12	23,400	7.53
Time Savings Deposit	83,860,542	30.78	79,352,547	31.07	4,507,995	5.68
Interest-drawing Savings Deposit	67,657,569	24.83	65,485,109	25.64	2,172,460	3.32
Non-interest-drawing Time Savings Deposit	16,120,789	5.92	13,784,966	5.40	2,335,822	16.94
Installment Savings Deposit	82,184	0.03	82,472	0.03	(288)	(0.35)
Re-deposit from Post Office & Deposit from peer banks	311,452	0.11	555,153	0.22	(243,701)	(43.90)
Total Deposits	272,457,803	100.00	255,364,950	100.00	17,092,853	6.69

Note : Total Deposits include TWD and foreign currency deposit.

2. Credit business

(1) TWD loans

Unit : NT\$ thousand

Category	End of December 2022		End of December 2021		Difference	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Growth rate (%)
Secured overdraft	15,034	0.01	4,965	0.00	10,069	202.82
Short-term loans	10,165,134	5.80	22,164,718	12.96	(11,999,584)	(54.14)
Short-term secured loans	35,087,548	20.01	34,992,218	20.46	95,330	0.27
Mid-term loans	21,057,198	12.01	21,005,491	12.28	51,707	0.25
Mid-term secured loans	67,614,736	38.55	50,784,528	29.70	16,830,208	33.14
Long-term loans	1,965,639	1.12	2,220,054	1.30	(254,415)	(11.46)
Long-term secured loans	39,463,936	22.50	39,855,193	23.30	(391,257)	(0.98)
Total outstanding loan balance in TWD	175,369,226	100.00	171,027,168	100.00	4,342,058	2.54

(2) Corporate foreign currency loans

Unit : US\$ thousand

Category	End of December 2022		End of December 2021		Difference	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Growth rate (%)
Export bill	428	0.07	3,478	0.52	(3,050)	(87.70)
Short-term loans	157,178	24.36	197,624	29.79	(40,445)	(20.47)
Short-term secured loans	9,600	1.49	19,736	2.98	(10,136)	(51.36)
Mid-term loans	383,288	59.41	365,786	55.15	17,502	4.78
Mid-term secured loans	68,986	10.69	48,106	7.25	20,880	43.40
Long-term loans	18,534	2.87	20,779	3.13	(2,245)	(10.80)
Long-term secured loans	7,190	1.11	7,799	1.18	(609)	(7.81)
Total outstanding loan balance in Foreign currency	645,205	100.00	663,308	100.00	(18,103)	(2.73)

3. Wealth management and trust services

Unit : NT\$ thousand

Primary Businesses	2022		2021		Difference	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Growth rate (%)
Special monetary trust in domestic and offshore securities	168,660	34.67	193,900	36.25	(25,240)	(13.02)
Real-estate trust (development and management)	55,672	11.44	42,186	7.89	13,486	31.97
Other trusts	24,268	4.99	17,834	3.33	6,434	36.08
Fee income subtotal	248,600	51.10	253,920	47.47	(5,320)	(2.10)
Insurance	237,920	48.90	280,979	52.53	(43,059)	(15.32)
Fee income grand total	486,520	100.00	534,899	100.00	(48,379)	(9.04)

4. Debt collection and management services

Non-Performing Loans (NPL) amounted to NT\$374,388,000 (NPL ratio of 0.19%) by the end of 2022, witnessing a net decrease for NT\$29,972,000 comparing to the NPL by the end of 2021 (net decrease for NPL ratio of 0.02%).

5. Foreign currencies

Unit : US\$ thousand

Category	End of December 2022		End of December 2021		Difference	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Growth rate (%)
Imports	1,772,340	13.63	1,113,583	10.62	658,757	59.16
Exports	354,901	2.73	470,688	4.49	(115,786)	(24.60)
Outward remittance	5,075,178	39.04	4,348,674	41.45	726,504	16.71
Inward remittance	5,797,845	44.60	4,557,538	43.44	1,240,307	27.21
Total	13,000,263	100.00	10,490,482	100.00	2,509,782	23.92
Foreign currency deposit balance	1,293,283	-	1,117,058	-	176,225	15.78
Foreign currency loan balance	645,205	-	663,308	-	(18,103)	(2.73)

6. Primary business as a percentage of the Bank's total assets and its changes

Unit : NT\$ thousand

Primary businesses	End of December 2022		End of December 2021	
	Amount	As a percentage of total assets (%)	Amount	As a percentage of total assets (%)
Total assets	309,059,043	100.00	287,615,087	100.00
Loans and discounts	193,168,226	62.50	187,502,893	65.19
Deposits at the CBC as well as loans to other banks	12,531,867	4.05	11,976,283	4.16
Investments in bills, bonds, and securities	74,582,840	24.13	65,893,151	22.91
Others	28,776,110	9.31	22,242,760	7.73
Total liabilities	289,719,515	93.74	269,223,069	93.61
Deposits and remittances	272,169,540	88.06	254,816,044	88.60
Deposits from CBC and peer banks	1,271,358	0.41	1,853,788	0.64
Financial bonds payable	5,971,000	1.93	5,971,000	2.08
Others	10,307,617	3.34	6,582,237	2.29

Note : Compiled in accordance with the International Financial Reporting Standards (IFRSs) for consolidated statements.

7. Various business revenue as a percentage of operating revenue and its changes

Unit : NT\$ thousand

Primary businesses	2022		2021	
	Amount	As a percentage of net income (%)	Amount	As a percentage of net income (%)
Net interest income	3,634,687	71.82	3,107,335	70.20
Non-interest income	1,426,146	28.18	1,318,974	29.80
Net fee income	1,029,541	20.34	1,013,189	22.89
Financial asset or financial liability measured at fair value through profit (loss)	15,961	0.32	24,304	0.55
Financial assets measured at fair value through other comprehensive profit or loss have realized interest	56,966	1.13	146,936	3.32
Exchange gains	173,835	3.43	21,572	0.49
Reversal gains from asset impairments (losses)	(303)	(0.01)	(3,298)	(0.07)
Other non-interest income	150,146	2.97	116,271	2.63
Net income	5,060,833	100.00	4,426,309	100.00

Note : Compiled in accordance with the International Financial Reporting Standards (IFRSs) for consolidated statements.

II 、Employees

Year		2021	2022	Now until February 28, 2023
Number of employees	Staff	1,428	1,367	1,356
	Service personnel	27	26	55
	Total	1,455	1,393	1,411
Average age		40.57	42.11	41.86
Average years of services		11.10	12.55	12.32
Academic qualification	Master's Degree or above	12.44	11.66	11.48
	Bachelor's Degree	79.72	80.13	78.81
	High school	7.56	7.85	9.43
	Below high school	0.28	0.36	0.28

Financial Report

I、Five-year simplified balance sheet and profit and loss statement

(I) Simplified balance sheet

1. Consolidated

Unit: NT\$ thousand

Item \ Year	Financial data over the last five years (Note 2)				
	2022	2021	2020 (Note 3)	2019 (Note 3)	2018 (Note 3)
Cash and cash equivalents	8,641,254	4,509,546	4,648,005	4,895,465	5,071,404
Deposits at CBC and interbank loans	12,531,867	11,976,283	10,523,041	9,390,804	10,874,533
Financial assets measured at fair value through profit and loss	1,340,595	939,226	1,705,656	906,373	1,100,594
Financial assets measured at fair value through other comprehensive income	16,373,923	10,501,789	17,812,485	16,750,207	14,058,368
Debt instrument investments measured at amortised cost	52,109,021	48,975,492	38,431,131	36,957,425	41,835,000
Investment in resale bills and bonds	4,759,301	5,476,644	1,356,035	649,478	3,215,946
Accounts receivables -net	6,237,894	4,149,404	6,461,964	5,937,371	3,841,226
Current income tax assets	7,306	927	927	42,541	51,661
Loans and discounts -net	193,168,226	187,502,893	179,152,449	165,944,398	152,561,304
Other financial assets -net	8,902	11,429	8,594	-	184
Property and equipment -net	6,899,122	6,983,848	6,950,661	6,936,681	7,192,805
Right of use asset -net	441,660	386,225	410,059	366,778	-
Investment property -net	3,133,155	2,739,152	2,916,188	2,995,539	2,776,023
Intangible assets -net	2,439,175	2,440,460	2,468,569	2,355,794	2,369,131
Deferred taxes assets -net	262,237	282,990	372,815	420,911	490,491
Other assets	705,405	738,779	748,781	1,152,339	1,627,693
Total assets	309,059,043	287,615,087	273,967,360	255,702,104	247,066,363
Deposits at the CBC and peer banks	1,271,358	1,853,788	3,112,793	3,404,476	1,650,240
Loans from CBC and peer banks	2,234,000	2,794,360	3,377,240	3,029,000	2,015,000
Financial liabilities at fair value through profit and loss	10,942	8,391	4,938	4,303	28,226
Bills and bonds sold under repurchase agreements	2,432,425	-	303,733	3,165,799	2,913,216
Payables	3,686,483	2,189,660	3,148,399	2,444,450	3,210,902
Current income tax liabilities	165,698	92,699	34,703	38,137	-
Deposits and remittances	272,169,540	254,816,044	240,693,330	218,671,761	214,826,237
Financial bonds payable	5,971,000	5,971,000	3,971,000	6,971,000	6,311,000
Other financial liabilities	550,000	380,000	700,000	630,000	210,000
Liability provisions	267,120	332,303	284,558	246,625	206,183
Lease obligations	443,001	386,982	410,794	371,542	-

Item \ Year		Financial data over the last five years (Note 2)				
		2022	2021	2020 (Note 3)	2019 (Note 3)	2018 (Note 3)
Deferred income tax liabilities		108,823	108,823	108,823	108,823	108,823
Other liabilities		409,125	289,019	218,842	226,533	208,089
Total liabilities	Before distribution	289,719,515	269,223,069	256,369,153	239,312,449	231,687,916
	After distribution	(Note 1)	269,246,786	256,369,153	239,312,449	231,687,916
Equity attributable to parent company shareholders		19,339,528	18,392,018	17,598,207	16,389,655	15,378,447
Share capital	Before distribution	16,639,182	15,811,553	15,086,827	14,446,543	14,205,771
	After distribution	(Note 1)	16,639,182	15,811,553	15,086,827	14,446,543
Capital reserves		554	44	-	-	-
Retained earnings	Before distribution	3,207,558	2,490,387	1,962,328	1,572,744	911,287
	After distribution	(Note 1)	1,639,041	1,237,602	932,460	670,515
Other equity		(507,766)	90,034	549,052	370,368	261,389
Treasury stock		-	-	-	-	-
Non-controlling shareholders		-	-	-	-	-
Total equity	Before distribution	19,339,528	18,392,018	17,598,207	16,389,655	15,378,447
	After distribution	(Note 1)	18,368,301	17,598,207	16,389,655	15,378,447

Note 1: The aforementioned data obtained after distribution are based on the resolution of the annual shareholders' meeting. Earnings distribution for 2022 has not yet been approved by the shareholders' meeting.

Note 2: The above mentioned financial report has been audited by CPA.

Note 3 : According to Jing-Guan-Ying-Fa Letter No. 10200070270 issued by the FSC on May 15, 2013, the Bank recognized the sale of Floors 3-8 of No. 330, Zhongzheng Road, Banqiao District, New Taipei City, as profit due to 2021 changes in the leaseback period. This recognition was considered an accounting error and was rectified; therefore, the profit and loss for 2018-2020 were adjusted.

Note 4: There is no further update from CPA till the publication date of this annual report.

2.Individual

Unit: NT\$ thousand

Unit: AFS thousand

Item \ Year		Financial data over the last five years (Note 2)				
		2022	2021	2020 (Note 3)	2019 (Note 3)	2018 (Note 3)
Cash and cash equivalents		8,581,789	4,438,942	4,520,940	4,814,052	4,943,462
Deposits at CBC and interbank loans		12,531,867	11,976,283	10,523,041	9,390,804	10,874,533
Financial assets measured at fair value through profit and loss		1,340,595	939,226	1,705,656	906,373	1,100,594
Financial assets measured at fair value through other comprehensive income		16,373,923	10,501,789	17,812,485	16,750,207	14,058,368
Debt instrument investments measured at amortised cost		52,109,021	48,975,492	38,431,131	36,957,425	41,835,000
Investment in resale bills and bonds		4,739,251	5,456,637	1,336,035	649,478	3,215,946
Accounts receivables -net		2,517,800	803,050	2,445,627	1,581,468	1,604,095
Current income tax assets		-	-	-	41,955	50,913
Loans and discounts -net		193,168,226	187,502,893	179,152,449	165,944,398	152,561,304
Equity-accounted investments -net		1,054,994	1,024,713	1,028,421	1,006,607	872,761
Other financial assets -net		8,902	11,429	8,594	-	184
Property and equipment -net		6,896,892	6,981,167	6,945,957	6,930,606	7,184,946
Right of use asset -net		436,994	377,889	398,898	352,061	-
Investment property -net		3,094,822	2,739,152	2,916,188	2,995,539	2,776,023
Intangible assets -net		2,439,175	2,440,460	2,468,569	2,355,794	2,369,131
Deferred taxes assets -net		220,092	282,990	372,815	420,911	490,491
Other assets		585,120	610,501	567,248	904,023	929,075
Total assets		306,099,463	285,062,613	270,634,054	252,001,701	244,866,826
Deposits at the CBC and peer banks		1,271,358	1,853,788	3,112,793	3,404,476	1,650,240
Funds Borrowed from Central Bank and Banks		-	706,360	807,240	-	-
Financial liabilities at fair value through profit and loss		10,942	8,391	4,938	4,303	28,226
Bills and bonds sold under repurchase agreements		2,432,425	-	303,733	3,165,799	2,913,216
Payables		3,617,497	2,152,233	3,108,161	2,402,215	3,204,523
Current income tax liabilities		159,387	81,927	25,811	7,648	-
Deposits and remittances		272,191,916	254,832,657	240,714,957	218,754,650	214,870,883
Financial bonds payable		5,971,000	5,971,000	3,971,000	6,971,000	6,311,000
Liability provisions		267,120	332,303	284,558	246,625	206,183
Lease obligations		438,093	378,360	399,380	356,686	-
Deferred income tax liabilities		108,823	108,823	108,823	108,823	108,823
Other liabilities		291,374	244,753	194,453	189,821	195,285
Total liabilities	Before distribution	286,759,935	266,670,595	253,035,847	235,612,046	229,488,379
	After distribution	(Note 1)	266,694,312	253,035,847	235,612,046	229,488,379

Item \ Year		Financial data over the last five years (Note 2)				
		2022	2021	2020 (Note 3)	2019 (Note 3)	2018 (Note 3)
Equity attributable to parent company shareholders		19,339,528	18,392,018	17,598,207	16,389,655	15,378,447
Share capital	Before distribution	16,639,182	15,811,553	15,086,827	14,446,543	14,205,771
	After distribution	(Note 1)	16,639,182	15,811,553	15,086,827	14,446,543
Capital reserves		554	44	-	-	-
Retained-earnings	Before distribution	3,207,558	2,490,387	1,962,328	1,572,744	911,287
	After distribution	(Note 1)	1,639,041	1,237,602	932,460	670,515
Other equity		(507,766)	90,034	549,052	370,368	261,389
Treasury stock		-	-	-	-	-
Non-controlling shareholders		-	-	-	-	-
Total equity	Before distribution	19,339,528	18,392,018	17,598,207	16,389,655	15,378,447
	After distribution	(Note 1)	18,368,301	17,598,207	16,389,655	15,378,447

Note 1 : The aforementioned data obtained after distribution are based on the resolution of the annual shareholders' meeting. Earnings distribution for 2022 has not yet been approved by the shareholders' meeting.

Note 2 : The above mentioned financial report has been audited by CPA.

Note 3 : According to Jing-Guan-Ying-Fa Letter No. 10200070270 issued by the FSC on May 15, 2013, the Bank recognized the sale of Floors 3-8 of No. 330, Zhongzheng Road, Banqiao District, New Taipei City, as profit due to 2021 changes in the leaseback period. This recognition was considered an accounting error and was rectified; therefore, the profit and loss for 2018-2020 were adjusted.

Note 4 : There is no further update from CPA till the publication date of this annual report.

(II) Profit and loss statement

1. Consolidated

Unit: NT\$ thousand

Item \ Year	Financial data over the last five years (Note 1)				
	2022	2021	2020 (Note 2)	2019 (Note 2)	2018 (Note 2)
Interest income	5,731,232	4,409,906	4,318,872	4,597,948	4,220,817
Less: Interest expenses	2,096,545	1,302,571	1,567,646	2,000,543	1,868,947
Net interest income	3,634,687	3,107,335	2,751,226	2,597,405	2,351,870
Non-interest net income	1,426,146	1,318,974	1,312,179	1,365,171	1,271,003
Net operating income	5,060,833	4,426,309	4,063,405	3,962,576	3,622,873
Bad loan expenses and provisions for guarantee liabilities	284,302	282,496	113,228	106,743	542,763
Operating expenses	2,906,906	2,863,778	2,811,589	2,819,962	2,646,340
Pre-tax profit (loss) from continuing operations	1,869,625	1,280,035	1,138,588	1,035,871	433,770
Income tax gains (expenses)	(224,165)	(240,106)	(125,060)	(149,843)	(47,725)
Current profit (loss) from continuing operations	1,645,460	1,039,929	1,013,528	886,028	386,045
Profit (loss) from discontinuing operations	-	-	-	-	-
Net profit (loss) for the current period	1,645,460	1,039,929	1,013,528	886,028	386,045
Other comprehensive profit (loss)	(674,743)	(246,162)	195,024	125,180	190,031
Other comprehensive income(loss) for the current period (net, after-tax)	(674,743)	(246,162)	195,024	125,180	190,031
Total comprehensive income (loss) for the current period	970,717	793,767	1,208,552	1,011,208	576,076
Net profit attributable to parent company shareholders	1,645,460	1,039,929	1,013,528	886,028	386,045
Net profit attributable to non-controlling shareholders	-	-	-	-	-
Total comprehensive income attributable to parent company shareholders	970,717	793,767	1,208,552	1,011,208	576,076
Total comprehensive income attributable to non-controlling shareholders	-	-	-	-	-
Earnings (loss) per share	0.99	0.62	0.64	0.59	0.28

Note 1 : The above mentioned financial report has been audited by CPA.

Note 2 : According to Jing-Guan-Ying-Fa Letter No. 10200070270 issued by the FSC on May 15, 2013, the Bank recognized the sale of Floors 3-8 of No. 330, Zhongzheng Road, Banqiao District, New Taipei City, as profit due to 2021 changes in the leaseback period. This recognition was considered an accounting error and was rectified; therefore, the profit and loss for 2018-2020 were adjusted.

Note 3 : There is no further update from CPA till the publication date of this annual report.

2.Individual

Unit: NT\$ thousand

Item \ Year	Financial data over the last five years (Note 1)				
	2022	2021	2010 (Note 2)	2019 (Note 2)	2018 (Note 2)
Interest income	5,556,406	4,206,664	4,063,932	4,404,845	4,122,155
Less: Interest expenses	2,057,630	1,262,316	1,513,834	1,938,560	1,837,995
Net interest income	3,498,776	2,944,348	2,550,098	2,466,285	2,284,160
Non-interest net income	1,313,548	1,349,081	1,378,952	1,343,393	1,268,755
Net operating income	4,812,324	4,293,429	3,929,050	3,809,678	3,552,915
Bad loan expenses and provisions for guarantee liabilities	63,171	228,455	82,147	65,241	535,631
Operating expenses	2,850,338	2,808,232	2,733,851	2,740,419	2,585,660
Pre-tax profit (loss) from continuing operations	1,898,815	1,256,742	1,113,052	1,004,018	431,624
Income tax gains (expenses)	(253,355)	(216,813)	(99,524)	(117,990)	(45,579)
Current profit (loss) from continuing operations	1,645,460	1,039,929	1,013,528	886,028	386,045
Profit (loss) from discontinuing operations	-	-	-	-	-
Net profit (loss) for the current period	1,645,460	1,039,929	1,013,528	886,028	386,045
Other comprehensive profit (loss)	(674,743)	(246,162)	195,024	125,180	190,031
Other comprehensive income(loss) for the current period (net, after-tax)	(674,743)	(246,162)	195,024	125,180	190,031
Total comprehensive income (loss) for the current period	970,717	793,767	1,208,552	1,011,208	576,076
Net profit attributable to parent company shareholders	1,645,460	1,039,929	1,013,528	886,028	386,045
Net profit attributable to non-controlling shareholders	-	-	-	-	-
Total comprehensive income attributable to parent company shareholders	970,717	793,767	1,208,552	1,011,208	576,076
Total comprehensive income attributable to non-controlling shareholders	-	-	-	-	-
Earnings (loss) per share	0.99	0.62	0.64	0.59	0.28

Note 1 : The above mentioned financial report has been audited by CPA.

Note 2 : According to Jing-Guan-Ying-Fa Letter No. 10200070270 issued by the FSC on May 15, 2013, the Bank recognized the sale of Floors 3-8 of No. 330, Zhongzheng Road, Banqiao District, New Taipei City, as profit due to 2021 changes in the leaseback period. This recognition was considered an accounting error and was rectified; therefore, the profit and loss for 2018-2020 were adjusted.

Note 3 : There is no further update from CPA till the publication date of this annual report.

II 、Five-year financial analysis

(I) Consolidated

Unit: NT\$ thousand

Item \ Year		Financial analysis for the last five years (Note 1)				
		2022	2021	2020 (Note 9)	2019 (Note 9)	2018 (Note 9)
Operational Efficiency	Loans to deposit ratio (%)	72	74	75	77	72
	Overdue loan ratio (%)	0.19	0.21	0.26	0.32	0.85
	Interest expense as a percentage of annual average deposit balance (%)	0.67	0.43	0.57	0.75	0.72
	Interest income as a percentage of annual average loan balance (%)	2.35	1.88	2.08	2.37	2.36
	Asset turnover rate (times)	0.02	0.02	0.02	0.02	0.01
	Operating revenue per employee	3,539	2,979	2,729	2,712	2,499
	Profit per employee	1,151	700	681	609	270
Profitability	Tier 1 capital return ratio (%)	10	8	7	7	3
	Return on assets (%)	0.55	0.37	0.38	0.35	0.16
	Return on equity (%)	8.72	5.78	5.96	5.60	2.64
	Net profit margin (%)	31.75	23.49	24.94	22.47	10.79
	Earnings per share (NT\$)	0.99	0.62	0.64	0.59	0.28
Financial structure	Liabilities to total assets (%)	94	94	94	94	94
	Real estate and equipment as a percentage of total equity (%)	36	38	39	42	47
Growth rate	Asset growth rate (%)	7	5	7	3	3
	Profit growth rate (%)	46	12	10	137	65
Cash Flows	Operating cash flow ratio (%)	21.31	106.23	106.65	(Note 8)	(Note 8)
	Cash flow adequacy ratio (%)	(Note 8)	(Note 8)	(Note 8)	(Note 8)	(Note 8)
	Cash flow satisfied ratio (%)	(Note 8)	(Note 8)	7,712	(Note 8)	2,512
Liquid reserve ratio (%)		20	21	20	23	27
Total secured credit balance of stakeholders		2,393,512	2,000,493	1,909,742	2,037,332	2,550,252
Total secured credit balance of stakeholders as a percentage of total credit balance (%)		1.18	1.01	1.03	1.19	1.62
Operating scale	Asset market share (%)	0.38	0.38	0.38	0.38	0.38
	Equity market share (%)	0.39	0.37	0.37	0.36	0.36
	Deposit market share (%)	0.49	0.49	0.50	0.49	0.50
	Loan market share (%)	0.54	0.57	0.58	0.58	0.56

The causes of changes in each financial ratio for the preceding two fiscal years (except when the change is less than 20%)

1. Increase in interest expense as a percentage of annual average deposit balance : Mainly due to the interest expense growth in 2022.
2. Increase in interest income as a percentage of annual average loan balance : Mainly due to interest income growth in 2022.
3. Increase in Profit per employee 、Tier 1 capital return ratio 、Return on assets 、Return on equity 、Net profit margin and Earnings per share : Mainly due to the gain of Pre-tax profit (loss) and after-tax profit (loss) growth in 2022.
4. Increase in Asset growth rate : Mainly due to the Financial assets measured at fair value through other comprehensive income and loans growth in 2022.
5. Increase in Profit growth rate : Mainly due to the Net income growth in 2022.
6. Decrease in Operating cash flow ratio : Mainly owing to the decline in Cash flows from operating activities in 2022.

Note 1 : The above mentioned financial report has been audited by CPA.

Note 2 : Calculation formulas used are as follows :

1. Operational efficiency
 - (1) Loans to deposit ratio = Total loans / Total deposits.
 - (2) Overdue loan ratio = Total overdue loans / Total loans.
 - (3) Interest expenses to average deposit balances = Total deposit balance interest expenses / Annual average deposit balances.
 - (4) Interest Income to average loan balances = Total credit interest income / Annual average loan balances.
 - (5) Total assets turnover rate = Net income / Average total assets.
 - (6) Operating revenue per employee (Note 6) = Net income / Total number of employees.
 - (7) Profit per employee = Net income / Total number of employees.
2. Profitability
 - (1) Tier 1 capital return ratio = Income before tax / Average net Tier 1 capital.
 - (2) Return on assets = Net income / Average total assets.
 - (3) Return on equity = Net income / Average total shareholder equity.
 - (4) Net profit margin = Net income / Net revenue.
 - (5) Earnings per share = (Profit or loss attributable to parent company shareholders – special stock dividends) / Weighted average outstanding shares. (Note 4)
3. Financial structure
 - (1) Liabilities to total assets = Total liabilities / Total assets.
 - (2) Property and equipment to equity ratio = Net value of property and equipment / Net equity value.
4. Growth rate
 - (1) Asset growth rate = (Current total assets – Last year's total assets) / Last year's total assets.
 - (2) Profit growth rate = (Current total earnings – Last year's total earnings) / Last year's total earnings.
5. Cash flow (Note 8)
 - (1) Cash flow ratio = Cash flows from operating activities / (Due to borrow or draw from overdraft limits by banks and peer banks + commercial bills payable + financial liabilities at fair value through income statement + bills and bonds sold under repurchase agreements + accounts payable in 1 year).
 - (2) Net cash flow adequacy ratio = 5-year net cash flow from operations / (5-year capital expenditures + 5-year cash dividends).
 - (3) Cash flow satisfied ratio = Cash flows from operating activities / Cash flows from investing activities.
6. Liquidity reserve ratio = Current assets required by the CBC / Liabilities for which the various current reserve shall be provided.
7. Operating scale
 - (1) Asset market share = Total assets / Total assets of financial institutes which can operate deposits and loans business. (Note 5)
 - (2) Equity market share = Total equities / Total net equities of financial institutes which can operate deposits and loans business.
 - (3) Deposit market share = Total deposits / Total deposits of financial institutes which can operate deposits and loans business.
 - (4) Loan market share = Total loans / Total loans of financial institutes which can operate deposits and loans business.

Note 3 : Total liabilities are net of reserves for losses on guarantees and accidental loss.

Note 4 : When the above formula for calculation of earnings per share is used during measurement, attention should be paid to the following matters:

1. Measurement should be based on the weighted average number of common stock, not the number of issued shares at year end.
2. Where there is a cash capital increase or treasury stock transaction, the period of time in circulation shall be considered in calculating the weighted average number of shares.
3. In the case of capital increase by earnings or capital reserves, the calculation of earnings per share for the past fiscal year and the fiscal half-year shall be retrospectively adjusted based on the capital increase ratio, without the need to consider the issuance period for the capital increase.
4. If the preferred shares are non-convertible cumulative preferred shares, the dividend of the current year (whether issued or not) shall be subtracted from the net profit after tax, or added to the net loss after tax.
5. In the case of non-cumulative preferred shares, if there is net profit after tax, dividend on preferred shares shall be subtracted from the net profit after tax; if there is loss, and then no adjustment is required.

Note 5 : Financial institutes which can operate deposits and loans business include banks in Taiwan, Chinese branch banks in Taiwan, foreign branch banks in Taiwan, credit cooperatives, and agriculture or fishery associations.

Note 6 : Operating revenue refers to the sum of interest income and non-interest income.

Note 7 : Attention should be paid to the following matters when carrying out cash flow analysis :

1. Net cash flow from operating activities means net cash in-flow amounts from operating activities listed in the statement of cash flows.
2. Capital expenditures means the amounts of cash out-flows for annual capital investment.

3. Cash dividend includes cash dividends from both common stock and preferred shares.
4. Gross property and equipment value means the total value of property and equipment prior to the subtraction of accumulated depreciation.

Note 8 : Cash flow from operating activities is a net outflow and is therefore not expressed.

Note 9 : According to Jing-Guan-Ying-Fa Letter No. 10200070270 issued by the FSC on May 15, 2013, the Bank recognized the sale of Floors 3-8 of No. 330, Zhongzheng Road, Banqiao District, New Taipei City, as profit due to 2021 changes in the leaseback period. This recognition was considered an accounting error and was rectified; therefore, the profit and loss for 2018-2020 were adjusted.

Note 10 : There is no further update from CPA till the publication date of this annual report.

(II) Individual

Unit: NT\$ thousand

Item \ Year		Financial analysis for the last five years (Note 1)				
		2022	2021	2020 (Note 9)	2019 (Note 9)	2018 (Note 9)
Operational Efficiency	Loans to deposit ratio (%)	72	74	75	77	72
	Overdue loan ratio (%)	0.19	0.21	0.26	0.32	0.85
	Interest expense as a percentage of annual average deposit balance (%)	0.67	0.43	0.57	0.75	0.72
	Interest income as a percentage of annual average loan balance (%)	2.35	1.88	2.08	2.37	2.36
	Asset turnover rate (times)	0.02	0.02	0.02	0.02	0.01
	Operating revenue per employee	3,455	2,951	2,704	2,704	2,525
	Profit per employee	1,181	715	698	632	278
Profitability	Tier 1 capital return ratio (%)	11	8	7	7	3
	Return on assets (%)	0.56	0.37	0.39	0.36	0.16
	Return on equity (%)	8.72	5.78	5.96	5.60	2.64
	Net profit margin (%)	34.19	24.22	25.80	23.37	11.00
	Earnings per share (NT\$)	0.99	0.62	0.64	0.59	0.28
Financial structure	Liabilities to total assets (%)	94	93	93	93	94
	Real estate and equipment as a percentage of total equity (%)	36	38	39	42	47
Growth rate	Asset growth rate (%)	7	5	7	3	2
	Profit growth rate (%)	51	13	11	131	68
Cash Flows	Operating cash flow ratio (%)	29.66	98.96	114.16	(Note 8)	(Note 8)
	Cash flow adequacy ratio (%)	(Note 8)	(Note 8)	(Note 8)	(Note 8)	(Note 8)
	Cash flow satisfied ratio (%)	(Note 8)	(Note 8)	15,974	(Note 8)	(Note 8)
Liquidity Reserve Ratio (%)		20	21	20	23	27
Total secured credit balance of stakeholders		2,393,512	2,000,493	1,909,742	2,037,332	2,550,252
Total secured credit balance of stakeholders as a percentage of total credit balance (%)		1.18	1.01	1.03	1.19	1.62
Operating scale	Asset market share (%)	0.38	0.38	0.38	0.38	0.38
	Equity market share (%)	0.39	0.37	0.37	0.36	0.36
	Deposit market share (%)	0.49	0.49	0.50	0.49	0.50
	Loan market share (%)	0.54	0.57	0.58	0.58	0.56

The causes of changes in each financial ratio for the preceding two fiscal years (except when the change is less than 20%)

1. Increase in interest expense as a percentage of annual average deposit balance : Mainly due to the interest expense growth in 2022.
2. Increase in interest income as a percentage of annual average loan balance : Mainly due to interest income growth in 2022.
3. Increase in Profit per employee 、Tier 1 capital return ratio 、Return on assets 、Return on equity 、Net profit margin and Earnings per share : Mainly due to the gain of Pre-tax profit (loss) and after-tax profit (loss) growth in 2022.
4. Increase in Asset growth rate : Mainly due to the Financial assets measured at fair value through other comprehensive income and loans growth in 2022.
5. Increase in Profit growth rate : Mainly due to the Net income growth in 2022.
6. Decrease in Operating cash flow ratio : Mainly owing to the decline in Cash flows from operating activities in 2022.

Note 1 : The above mentioned financial report has been audited by CPA.

Note 2 : Calculation formulas used are as follows :

1. Operational efficiency

- (1) Loans to deposit ratio = Total loans / Total deposits.
- (2) Overdue loan ratio = Total overdue loans / Total loans.
- (3) Interest expenses to average deposit balances = Total deposit balance interest expenses / Annual average deposit balances.
- (4) Interest Income to average loan balances = Total credit interest income / Annual average loan balances.
- (5) Total assets turnover rate = Net income / Average total assets.
- (6) Operating revenue per employee (Note 6) = Net income / Total number of employees.
- (7) Profit per employee = Net income / Total number of employees.

2. Profitability

- (1) Tier 1 capital return ratio = Income before tax / Average net Tier 1 capital.
- (2) Return on assets = Net income / Average total assets.
- (3) Return on equity = Net income / Average total shareholder equity.
- (4) Net profit margin = Net income / Net revenue.
- (5) Earnings per share = (Profit or loss attributable to parent company shareholders – special stock dividends) / Weighted average outstanding shares. (Note 4)

3. Financial structure

- (1) Liabilities to total assets = Total liabilities / Total assets.
- (2) Property and equipment to equity ratio = Net value of property and equipment / Net equity value.

4. Growth rate

- (1) Asset growth rate = (Current total assets – Last year's total assets) / Last year's total assets.
- (2) Profit growth rate = (Current total earnings – Last year's total earnings) / Last year's total earnings.

5. Cash flow (Note 8)

- (1) Cash flow ratio = Cash flows from operating activities / (Due to borrow or draw from overdraft limits by banks and peer banks + commercial bills payable + financial liabilities at fair value through income statement + bills and bonds sold under repurchase agreements + accounts payable in 1 year).
- (2) Net cash flow adequacy ratio = 5-year net cash flow from operations / (5-year capital expenditures + 5-year cash dividends).
- (3) Cash flow satisfied ratio = Cash flows from operating activities / Cash flows from investing activities.

6. Liquidity Reserve Ratio = Current assets required by the CBC / Liabilities for which the various current reserve shall be provided.

7. Operating scale

- (1) Asset market share = Total assets / Total assets of financial institutes which can operate deposits and loans business. (Note 5)
- (2) Equity market share = Total equities / Total net equities of financial institutes which can operate deposits and loans business.
- (3) Deposit market share = Total deposits / Total deposits of financial institutes which can operate deposits and loans business.
- (4) Loan market share = Total loans / Total loans of financial institutes which can operate deposits and loans business.

Note 3 : Total liabilities are net of reserves for losses on guarantees and accidental loss.

Note 4 : When the above formula for calculation of earnings per share is used during measurement, attention should be paid to the following matters:

1. Measurement should be based on the weighted average number of common stock, not the number of issued shares at year end.
2. Where there is a cash capital increase or treasury stock transaction, the period of time in circulation shall be considered in calculating the weighted average number of shares.
3. In the case of capital increase by earnings or capital reserves, the calculation of earnings per share for the past fiscal year and the fiscal half-year shall be retrospectively adjusted based on the capital increase ratio, without the need to consider the issuance period for the capital increase.
4. If the preferred shares are non-convertible cumulative preferred shares, the dividend of the current year (whether issued or not) shall be subtracted from the net profit after tax, or added to the net loss after tax.
5. In the case of non-cumulative preferred shares, if there is net profit after tax, dividend on preferred shares shall be subtracted from the net profit after tax; if there is loss, and then no adjustment is required.

Note 5 : Financial institutes which can operate deposits and loans business include banks in Taiwan, Chinese branch banks in Taiwan, foreign branch banks in Taiwan, credit cooperatives, and agriculture or fishery associations.

Note 6 : Operating revenue refers to the sum of interest income and non-interest income.

Note 7 : Attention should be paid to the following matters when carrying out cash flow analysis :

1. Net cash flow from operating activities means net cash in-flow amounts from operating activities listed in the statement of cash flows.
2. Capital expenditures means the amounts of cash out-flows for annual capital investment.
3. Cash dividend includes cash dividends from both common stock and preferred shares.
4. Gross property and equipment value means the total value of property and equipment prior to the subtraction of accumulated depreciation.

Note 8 : Cash flow from operating activities is a net outflow and is therefore not expressed.

Note 9 : According to Jing-Guan-Ying-Fa Letter No. 10200070270 issued by the FSC on May 15, 2013, the Bank recognized the sale of Floors 3-8 of No. 330, Zhongzheng Road, Banqiao District, New Taipei City, as profit due to 2021 changes in the leaseback period. This recognition was considered an accounting error and was rectified; therefore, the profit and loss for 2018-2020 were adjusted.

Note 10 : There is no further update from CPA till the publication date of this annual report.

III 、Five-year capital adequacy analysis

(I) Consolidated

Unit: NT\$ thousand

Item \ Year			Five-Year Capital Adequacy Ratio (Note 1)				
			2022	2021	2020	2019	2018
Regulatory Capital	Common stock equity		16,617,495	15,633,173	14,414,231	13,243,319	12,214,831
	Other non-ordinary share Tier 1 capital		1,909,000	1,909,000	1,909,000	1,895,251	1,895,310
	Tier 2 capital		5,166,458	5,416,917	3,859,931	3,706,652	3,646,586
	Regulatory capital		23,692,953	22,959,090	20,183,162	18,845,222	17,756,727
Total weighted risk asset	Credit risk	Standardized approach	190,221,525	176,215,481	167,070,345	153,901,372	143,388,468
		Internal rating approach	-	-	-	-	-
		Asset securitisation	-	-	-	-	-
	Operational risk	Basic indicator approach	8,190,388	7,429,125	6,840,688	6,439,788	6,137,313
		Standardized approach/optional standardized approach	-	-	-	-	-
		Advanced approach	-	-	-	-	-
	Market Risk	Standardized approach	139,750	455,850	992,863	499,613	596,712
		Internal modeling approach	-	-	-	-	-
	Total weighted risk asset		198,551,663	184,100,456	174,903,896	160,840,773	150,122,493
	Capital adequacy ratio (%)		11.93	12.47	11.54	11.72	11.83
	Tier 1 capital as a percentage of risk assets (%)		9.33	9.53	9.33	9.41	9.40
	Common stock equity as a percentage of risk assets (%)		8.37	8.49	8.24	8.23	8.14
Leverage ratio (%)		5.73	5.76	5.71	5.71	5.54	

Reason of change to capital adequacy ratio for the past two periods : Change is less than 20% and is therefore not analyzed.

Note 1 : The aforementioned calculations were audited by the CPA.

Note 2 : The regulatory capital, weighted risk asset, and exposure measurement were calculated in accordance with the Regulations Governing the Capital Adequacy and Capital Category of Banks and Methods for Calculating Bank's Regulatory Capital and Risk Weighted Assets.

Note 3 : Calculation formulas used are as follows :

1. Regulatory capital = Common stock equity + other non-common stock equity Tier 1 capital + Tier 2 capital.
2. Total weighted risk assets = Credit risk weighted risk assets + capital for (Operational risks + Market risks) × 12.5
3. Capital adequacy ratio = Regulatory capital/Total weighted risk assets.
4. Tier 1 capital as a percentage of risk assets = (Common stock equity + other non-common stock equity Tier 1 capital) / Total weighted risk assets.
5. Common stock equity as a percentage of risk assets = Common stock equity / Total weighted risk assets.
6. Leverage ratio = Net Tier 1 capital value / total exposure value.

Note 4 : There is no further update from CPA till the publication date of this annual report.

(II) Individual

Unit: NT\$ thousand

Item \ Year			Five-Year Capital Adequacy Ratio (Note 1)				
			2022	2021	2020	2019	2018
Regulatory Capital	Common stock equity		16,659,639	15,376,994	14,157,126	12,991,667	11,996,641
	Other non-ordinary share Tier 1 capital		1,909,000	1,652,822	1,651,895	1,643,599	1,677,120
	Tier 2 capital		5,150,925	4,860,729	3,291,959	3,203,348	3,210,206
	Regulatory Capital		23,719,564	21,890,545	19,100,980	17,838,614	16,883,967
Total weighted risk asset	Credit risk	Standardized approach	188,978,923	172,708,997	162,769,450	149,260,597	140,419,282
		Internal rating approach	-	-	-	-	-
		Asset securitisation	-	-	-	-	-
	Operational risk	Basic indicator approach	7,871,388	7,218,638	6,672,588	6,322,775	6,030,425
		Standardized approach/optional standardized approach	-	-	-	-	-
		Advanced approach	-	-	-	-	-
	Market Risk	Standardized approach	139,250	455,350	992,363	499,613	596,713
		Internal modeling approach	-	-	-	-	-
	Total weighted risk asset		196,989,561	180,382,985	170,434,401	156,082,985	147,046,420
	Capital adequacy ratio (%)			12.04	12.14	11.21	11.43
Tier 1 capital as a percentage of risk assets (%)			9.43	9.44	9.28	9.38	9.30
Common stock equity as a percentage of risk assets (%)			8.46	8.52	8.31	8.32	8.16
Leverage ratio (%)			5.79	5.65	5.61	5.61	5.42

Reason of change to capital adequacy ratio for the past two periods : Change is less than 20% and is therefore not analyzed.

Note 1 : The aforementioned calculations were audited by the CPA.

Note 2 : The regulatory capital, weighted risk asset, and exposure measurement were calculated in accordance with the Regulations Governing the Capital Adequacy and Capital Category of Banks and Methods for Calculating Bank's Regulatory Capital and Risk Weighted Assets.

Note 3 : Calculation formulas used are as follows :

1. Regulatory capital = Common stock equity + other non-common stock equity Tier 1 capital + Tier 2 capital.
2. Total weighted risk assets = Credit risk weighted risk assets + capital for (Operational risks + Market risks) × 12.5
3. Capital adequacy ratio = Regulatory capital / Total weighted risk assets.
4. Tier 1 capital as a percentage of risk assets = (Common stock equity + other non-common stock equity Tier 1 capital) / Total weighted risk assets.
5. Common stock equity as a percentage of risk assets = Common stock equity / Total weighted risk assets.
6. Leverage ratio = Net Tier 1 capital value / total exposure value.

Note 4 : There is no further update from CPA till the publication date of this annual report.

BANK OF PANHSIN**Parent Company Only Financial Statements****With Independent Auditors' Report
For the Years Ended December 31, 2022 and 2021**

Address: No. 68, Sec. 2, Xianmin Blvd., Banqiao Distr., New Taipei City, Taiwan,
R.O.C.
Telephone: (02)2962-9170

The independent auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent company only financial statements, the Chinese version shall prevail.

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Independent Auditors' Report

To the Board of Directors
Bank of Panhsin:

Opinion

We have audited the financial statements of Bank of Panhsin ("the Bank"), which comprise the statements of financial position as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Public Banks".

Basis for Opinion

We conducted our audit in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants", Rule No. 10802731571 issued by the Financial Supervisory Commission, and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with The Norm of Professional Ethics for Certified Public Accountant of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

1. Impairment of Loans and Receivables

Please refer to note 4(f) "loans and receivables" for related accounting policy, note 5 for the uncertainty of accounting estimation and assumptions, and notes 6(g), (h), (i), (v) and (ao) for the details of the impairment of loans and receivables.

Description of Key audit matters

The Bank mainly engages in loan business. The Bank's loans and receivables are significant to its overall financial statements. Assessment on the impairment of loans and receivables, provisions for guarantee liabilities, and provisions for loan commitments rely on the management's assumptions of probability of default (PD) and expected credit loss (ECL). These assumptions are influenced by the historical experiences, current market conditions and forward-looking estimation, and therefore, have high uncertainty risks. Consequently, the impairment of loans and receivables has been identified as a key audit matter.

How the matter was addressed in our audit

Our principal audit procedures included: understanding and assessing the Bank's internal control procedures for loans and bad debt assessment; testing whether the loans and receivables are classified into each stage of expected credit loss according to the procedures for loans and bad debt assessment; testing whether the input values used for probability of default (PD) and expected credit loss (ECL) of each stage of expected credit loss are based on reasonable and verifiable information (including forward looking macroeconomic information). We also assessed whether the impaired amounts recognized by the management are in accordance with the related regulations issued by the authority.

2. Impairment of Goodwill

Please refer to note 4(k) "Intangible assets" for related accounting policy, note 5 for the uncertainty of accounting estimation and assumptions, and note 6(n) for the details of the impairment of goodwill.

Description of key audit matters

As of December 31, 2022, the Bank has goodwill amounting to \$2,197,921 thousand from its merger and acquisition activities over the years. Since the recoverable amount of goodwill depends on the management's estimation of discounted future cash flows, it relies on the management's subjective judgment of future operations and is highly uncertain. Therefore, we considered impairment of goodwill a key audit matter.

How the matter was addressed in our audit

Our principal audit procedures included: assessing how management identifies cash-generating units; understanding and testing management's assumptions on future operating plans, including future revenue growth rate and expense rate, etc.; and comparing actual performance with forecasts to determine the reasonableness of forecasts and future cash flows.

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

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Public Banks" and for such internal control as management determines necessary to enable the preparation of the financial statements are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Bank's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

The engagement partners on the audit resulting in this independent auditors' report are Lily Lu and Yung-Sheng Wang.

KPMG

Taipei, Taiwan (Republic of China)

February 22, 2023

Notes to Readers

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

The independent auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

Bank of Panhsin**Balance Sheets****December 31, 2022 and 2021****(Expressed in Thousands of New Taiwan Dollars)**

		December 31, 2022		December 31, 2021				December 31, 2022		December 31, 2021	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets						Liabilities and Equity					
11000	Cash and cash equivalents (note 6(a))	\$ 8,581,789	3	4,438,942	2	21000	Deposits from Central Bank and other banks (note 6(p))	\$ 1,271,358	-	1,853,788	1
11500	Due from Central Bank and call loans to banks (note 6(b))	12,531,867	4	11,976,283	4	21500	Due to Central Bank and other banks (note 6(q))	-	-	706,360	-
12000	Financial assets at fair value through profit or loss (note 6(c))	1,340,595	-	939,226	-	22000	Financial liabilities at fair value through profit or loss (note 6(c))	10,942	-	8,391	-
12100	Financial assets at fair value through other comprehensive income (notes 6(d) and 8)	16,373,923	6	10,501,789	4	22500	Securities sold under repurchase agreements (note 6(r))	2,432,425	1	-	-
12200	Investment in debt instruments at amortized cost (notes 6(e) and 8)	52,109,021	17	48,975,492	17	23000	Payables (notes 6(s) and (ab))	3,617,497	1	2,152,233	1
12500	Securities purchased under resell agreements (note 6(f))	4,739,251	2	5,456,637	2	23200	Current income tax liabilities	159,387	-	81,927	-
13000	Receivables, net (note 6(g))	2,517,800	1	803,050	-	23500	Deposits and remittances (notes 6(t) and 7)	272,191,916	90	254,832,657	90
13500	Loans and discounts, net (notes 6(h) and 7)	193,168,226	63	187,502,893	66	24000	Financial debenture (notes 6(u) and 7)	5,971,000	2	5,971,000	2
15000	Investments accounted for using equity method, net (note 6(j))	1,054,994	-	1,024,713	-	25600	Provisions (notes 6(v) and (y))	267,120	-	332,303	-
15500	Other financial assets, net (note 6(i))	8,902	-	11,429	-	26000	Lease liabilities (notes 6(w) and 7)	438,093	-	378,360	-
18500	Property and equipment, net (note 6(k))	6,896,892	2	6,981,167	3	29300	Deferred tax liabilities (note 6(z))	108,823	-	108,823	-
18600	Right-of-use assets, net (notes 6(l) and 7)	436,994	-	377,889	-	29500	Other liabilities (notes 6(k) and (x))	291,374	-	244,753	-
18700	Investment property, net (note 6(m))	3,094,822	1	2,739,152	1		Total liabilities	286,759,935	94	266,670,595	94
19000	Intangible assets, net (note 6(n))	2,439,175	1	2,440,460	1		Equity:				
19300	Deferred tax assets, net (note 6(z))	220,092	-	282,990	-	31101	Share capital (notes 6(aa) and (ab)):				
19500	Other assets, net (notes 6(o) and 8)	585,120	-	610,501	-		Ordinary shares	16,639,182	5	15,811,553	5
							Capital surplus (note 6(aa)):				
						31599	Other capital surplus	554	-	44	-
							Retained earnings (notes 6(d) and (ab)):				
						32001	Legal reserve	1,634,699	1	1,269,836	1
						32003	Special reserve	4,340	-	4,356	-
						32005	Unappropriated earnings	1,568,519	-	1,216,195	-
								3,207,558	1	2,490,387	1
						32500	Other equity (notes 6(d) and (aa))	(507,766)	-	90,034	-
							Total equity	19,339,528	6	18,392,018	6
Total assets		\$ 306,099,463	100	285,062,613	100		Total liabilities and equity	\$ 306,099,463	100	285,062,613	100

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

Bank of Panhsin

Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		2022		2021		Variance
		Amount	%	Amount	%	%
41000	Interest income (notes 6(ad) and 7)	\$ 5,556,406	116	4,206,664	98	32
51000	Less: Interest expense (notes 6(w), (ad) and 7)	2,057,630	43	1,262,316	29	63
	Net income of interest	3,498,776	73	2,944,348	69	19
	Net non-interest income					
49100	Service fees, net (note 6(ae))	1,010,449	21	989,622	23	2
49200	Gain (loss) on financial asset or liabilities at fair value through profit or loss (note 6(af))	15,961	-	24,304	1	(34)
49310	Realized gain on financial assets at fair value through other comprehensive income (notes 6(d) and (ag))	56,966	1	146,936	3	(61)
49600	Foreign exchange gain (loss), net	173,835	4	21,572	-	706
49700	Provision for impairment loss on assets (notes 6(d), (e) and (ah))	(227)	-	(3,001)	-	92
49750	Investment income under the equity method	(86,941)	(2)	47,452	1	(283)
49800	Other non-interest income (loss), net (notes 6(m), (ai) and 7)	5,010	-	3,126	-	60
49823	Gain (loss) on disposal of foreclosed assets	-	-	(5,333)	-	100
49851	Rental income (note 7)	124,038	3	111,497	3	11
49863	Net gain on disposal of property (note 6(k))	14,457	-	12,906	-	12
	Total income	4,812,324	100	4,293,429	100	12
58200	Bad debt expense and reserve for guarantees (notes 6(g), (h), (i), (v) and (aj))	63,171	1	228,455	5	(72)
	Operation expense:					
58500	Employee benefit expense (notes 6(y), (ak) and (al))	1,644,390	34	1,681,496	39	(2)
59000	Depreciation and amortization expense (notes 6(k), (l), (n) and (am))	347,325	7	359,571	9	(3)
59500	Other general and administrative expense (notes 6(w) and (an))	858,623	18	767,165	18	12
	Total Expenses	2,850,338	59	2,808,232	66	1
	Profit from continuing operations before tax	1,898,815	40	1,256,742	29	51
61003	Less: Income tax expense (note 6(z))	253,355	5	216,813	5	17
	Profit	1,645,460	35	1,039,929	24	58
65000	Other comprehensive income:					
65200	Components of other comprehensive income that will not be reclassified to profit or loss (note 6(y))					
65201	Gains (losses) on remeasurements of defined benefit plans	63,454	1	(790)	-	8,132
65204	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(139,838)	(3)	114,810	2	(222)
65220	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-
	Components of other comprehensive income that will not be reclassified to profit or loss	(76,384)	(2)	114,020	2	(167)
65300	Components of other comprehensive income (loss) that will be reclassified to profit or loss (note 6(d))					
65301	Exchange differences on translation of foreign financial statements	17,425	-	(4,372)	-	499
65309	Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	(615,892)	(13)	(359,243)	(8)	(71)
65310	Other components of other comprehensive income that will be reclassified to profit or loss	108	-	3,433	-	(97)
65320	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss	(598,359)	(13)	(360,182)	(8)	(66)
65000	Other comprehensive income	(674,743)	(15)	(246,162)	(6)	(174)
	Total comprehensive income	\$ 970,717	20	793,767	18	22
	Earnings per share(expressed in New Taiwan dollars) (note 6(ac)):					
67500	Basic earnings per share	\$ 0.99		0.62		
67700	Diluted earnings per share	\$ 0.99		0.62		

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

Bank of Panhsin

Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Common stock	Capital surplus	Legal reserve	Retained earnings		Total retained earnings	Foreign currency translation differences for foreign operations	Total other equity Gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity	Total equity
				Special reserve	Retained earnings					
Balance at January 1, 2021	\$ 15,086,827	-	959,239	4,392	998,697	1,962,328	(19,119)	568,171	549,052	17,598,207
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	310,597	-	(310,597)	-	-	-	-	-
Stock dividends of ordinary share	724,726	-	-	-	(724,726)	(724,726)	-	-	-	-
Reversal of special reserve	-	-	-	(36)	36	-	-	-	-	-
Other changes in capital surplus	-	44	-	-	-	-	-	-	-	44
Net Income	-	-	-	-	1,039,929	1,039,929	-	-	-	1,039,929
Other comprehensive income	-	-	-	-	(790)	(790)	(4,372)	(241,000)	(245,372)	(246,162)
Total comprehensive income	-	-	-	-	1,039,139	1,039,139	(4,372)	(241,000)	(245,372)	793,767
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	213,646	213,646	-	(213,646)	(213,646)	-
Balance at December 31, 2021	\$ 15,811,553	44	1,269,836	4,356	1,216,195	2,490,387	(23,491)	113,525	90,034	18,392,018
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	364,863	-	(364,863)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(23,717)	(23,717)	-	-	-	(23,717)
Stock dividends of ordinary share	827,629	-	-	-	(827,629)	(827,629)	-	-	-	-
Reversal of special reserve	-	-	-	(16)	16	-	-	-	-	-
Other changes in capital surplus	-	510	-	-	-	-	-	-	-	510
Net income	-	-	-	-	1,645,460	1,645,460	-	-	-	1,645,460
Other comprehensive income	-	-	-	-	63,454	63,454	17,425	(755,622)	(738,197)	(674,743)
Total comprehensive income	-	-	-	-	1,708,914	1,708,914	17,425	(755,622)	(738,197)	970,717
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(140,397)	(140,397)	-	140,397	140,397	-
Balance at December 31, 2022	\$ 16,639,182	554	1,634,699	4,340	1,568,519	3,207,558	(6,066)	(501,700)	(507,766)	19,339,528

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

Bank of Panhsin

Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from (used in) operating activities:		
Income before income tax expense	\$ 1,898,815	1,256,742
Adjustments:		
Adjustments for the effects of non-cash transactions:		
Depreciation expense	322,707	333,989
Amortization expense	54,127	53,477
Provision for bad debt expense, commitment and guarantee liability provision	63,171	228,455
Interest expense	2,057,630	1,262,316
Interest income	(5,556,406)	(4,206,664)
Dividend income	(50,181)	(37,777)
Loss on disposal for foreclosed collaterals	-	5,333
Share of profit of subsidiaries accounted for using equity method	86,941	(47,452)
Gain on disposal of property and equipment	(12,911)	(11,718)
Loss on disposal of investment properties	-	256
Impairment loss on financial assets	227	3,001
Gain on lease modification	(20)	(471)
Total adjustments to reconcile net income	(3,034,715)	(2,417,255)
Changes in operating assets and liabilities:		
Due from Central Bank and call loans to banks	(958,692)	(743,086)
Financial assets at fair value through profit or loss	(401,369)	766,430
Financial assets at fair value through other comprehensive income	(6,627,864)	7,066,263
Investments in debt instruments measured at amortised cost	(3,133,648)	(10,543,929)
Receivables	(1,560,003)	1,663,749
Loans and discounts, net	(5,722,005)	(8,517,516)
Other financial assets	18	(11,712)
Deposits from Central Bank and other banks	(582,430)	(1,259,005)
Financial liabilities at fair value through profit or loss	2,551	3,453
Payables	1,319,199	(951,375)
Deposits and remittances	17,359,259	14,117,700
Provision for employee benefit	(866)	(953)
Other liabilities	61,078	64,756
Total net changes in operating assets and liabilities	(244,772)	1,654,775
Total adjustments	(3,279,487)	(762,480)
Cash inflow (outflow) generated used in operations	(1,380,672)	494,262
Interest received	5,394,304	4,176,684
Dividends received	93,041	90,177
Interest paid	(1,911,055)	(1,266,825)
Income taxes paid	(112,997)	(70,872)
Net Cash flows used in operating activities	2,082,621	3,423,426
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method	(160,000)	-
Acquisition of property and equipment	(363,488)	(11,367)
Proceeds from disposal of property and equipment	-	8,258
Proceeds from disposal of foreclosed collateral	-	58,302
Acquisition of investment properties	(22,512)	-
Proceeds from disposal of investment properties	-	1,634
increase in other assets	(65,926)	(159,412)
Net cash flows used in investing activities	(611,926)	(102,585)
Cash flows from (used in) financing activities:		
Decrease in due to the central bank and banks	(706,360)	(100,880)
Proceeds from issuing financial debenture	-	2,000,000
Increase (decrease) in notes and bonds issued under repurchase agreement	2,432,425	(303,733)
Payments of lease liabilities	(168,115)	(163,096)
Cash dividends paid	(23,717)	-
Net cash flows from (used in) financing activities	1,534,233	1,432,291
Effect of exchange rate changes on cash and cash equivalents	17,425	(4,372)
Net increase in cash and cash equivalents	3,022,353	4,748,760
Cash and cash equivalents at beginning of period	14,319,172	9,570,412
Cash and cash equivalents at end of period	\$ 17,341,525	14,319,172
Composition of cash and cash equivalents:		
Cash and cash equivalents reported in the statement of financial position	\$ 8,581,789	4,438,942
Due from Central bank and call loans to banks qualifying for cash and cash equivalents under the definition of IAS 7	4,020,485	4,423,593
Securities purchased under resell agreements qualifying for cash and cash equivalents under the definition of IAS 7	4,739,251	5,456,637
Cash and cash equivalents at end of period	\$ 17,341,525	14,319,172

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

Bank of Panhsin

Notes to the Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Stated)

(1) Company history

Bank of Panhsin (the Bank), formerly named "Pan Chiao Credit Cooperative", was founded on April 25, 1957. Pursuant to an approval granted by the Ministry of Finance, the Bank was re incorporated as a commercial bank on July 8, 1997, and completed the acquisition of "The Fifth Credit Cooperative of Kaohsiung" on September 29, 1997. The Bank obtained a banking license authorized by the Ministry of Finance to operate as a commercial bank on September 30, 1997. In October 1999, the Bank received its trust license from the Ministry of Finance and started operations on November 26 of the same year with capital of \$100 million. On November 27, 2002, the Bank was authorized by the Ministry of Finance to establish an International Banking Department, which started operations on July 7, 2003. Furthermore, the Bank completed the acquisition of The First Credit Cooperative of Chiayi on March 6, 2005, and completed the acquisition of the Ninth Credit Cooperative of Taipei (NCCT) on July 21, 2014.

The Bank was established pursuant to the Banking Law to engage in:

- (a) all commercial banking operations allowed by the Banking Law;
- (b) savings operations;
- (c) trust operations;
- (d) credit card operations;
- (e) trading in government bonds and other debt securities; and
- (f) insurance agent;
- (g) other operations as authorized by the relevant central authority.

On November 14, 2006, the Bank was approved by the Securities and Futures Bureau of the Financial Supervisory Commission, Executive Yuan ("FSC"), to offer its shares publicly.

The Bank's board of director approved the application for operating insurance broker business according to the Regulations Governing Insurance Brokers and conducted a short-form merger with its subsidiary, Panhsin Insurance Broker Co., Ltd., according to the Business Mergers and Acquisitions Act. The Bank is the surviving entity after the merger. The application and the merger were approved by the FSC on May 6, 2016. For the operation of the insurance broker business, the Bank's board of director approved July 1, 2016 as the date of the merger on May 18, 2016.

(2) Approval date and procedures of the financial statements:

These financial statements were authorized for issuance by the Bank's Board of Directors on February 22, 2023.

(Continued)

Bank of Panhsin
Notes to the Financial Statements

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Bank has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2022:

- Amendments to IAS 16 “Property, Plant and Equipment – Proceeds before Intended Use”
- Amendments to IAS 37 “Onerous Contracts – Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”

- (b) The impact of IFRS issued by the FSC but not yet effective

The Bank assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2023, would not have a significant impact on its financial statements:

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

- (c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Bank does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information “
- IFRS16 “Requirements for Sale and Leaseback Transactions”

(Continued)

Bank of Panhsin
Notes to the Financial Statements

(4) Summary of significant accounting policies:

Significant accounting policies adopted in the financial reports are summarized as below. Unless stated otherwise, they have been applied consistently to all periods in the financial reports.

(a) Statement of compliance

The financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks.

(b) Basis of preparation

(i) Basis of measurement

The financial statements have been mainly prepared on a historical cost basis unless otherwise specified (refer to each accounting policies).

(ii) Functional currency and presentation currency

The Bank's financial statements are presented in New Taiwan dollars, which is the Bank's functional currency. The assets and liabilities of foreign operations are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income. All financial information presented in New Taiwan dollars has been rounded to the nearest thousand.

(c) Foreign currency transactions

Transactions denominated or settled in foreign currencies are using the spot conversion rate to functional currency on the date of the transaction.

Transactions in foreign currencies are translated to the respective functional currency of the Bank at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the year adjusted for the effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year.

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, checks for clearing, due from banks, demand deposits, and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of change in value.

(Continued)

Bank of Panhsin
Notes to the Financial Statements

(e) Transactions under repurchase/resell agreements

Securities sold/purchased with a commitment to repurchase/resell at a predetermined price are treated as financing transactions. On the selling/purchasing date, these agreements are recognized as securities sold under repurchase agreements or securities purchased under resell agreements. The difference between the cost and the repurchase/resell price is treated as interest expense/revenue and recognized over the term of the agreement.

(f) Financial instruments

(i) Financial assets

Financial assets are classified into the following categories: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as measured at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value, plus any directly attributable transaction costs. These assets are subsequently measured at original cost with accumulated amortization using the effective interest method and adjusted allowance losses. Interest income, foreign exchange gains and losses, and impairment loss, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal amount outstanding.

(Continued)

Bank of Panhsin
Notes to the Financial Statements

The debt instruments measured at FVOCI is initially recognized at fair value, plus any directly attributable transaction costs. These assets are subsequently measured at fair value. The resulting gain or loss from such fair value remeasurement is recognized directly in other comprehensive income. Other net gains and losses of financial assets measured at FVOCI are recognized in OCI. The credit impairment losses recognized before derecognition, interest income and foreign exchange gains and losses deriving from debt investments are recognized in profit or loss. On derecognition, gains and losses accumulated in OCI of debt investments are reclassified to profit or loss.

On initial recognition of an equity investment that is not held-for-trading, the Bank may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

The equity instruments measured at FVOCI is initially recognized at fair value, plus any directly attributable transaction costs. These assets are subsequently measured at fair value. The dividends deriving from equity investments are recognized as income in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment. The resulting gain or loss from such fair value remeasurement is recognized directly in other comprehensive income. On derecognition, gains and losses accumulated in OCI of equity investments are reclassified to retain earnings instead of profit or loss.

Dividend income derived from equity investments is recognized on the date that the Bank's right to receive payments is established, which in the case of quoted securities is normally the ex-dividend date.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including financial assets. On initial recognition, the Bank may irrevocably designate a financial asset, which otherwise meets the requirements to be measured at amortized cost or at FVOCI, at FVTPL to eliminate or significantly reduce an accounting mismatch that would otherwise arise.

Financial assets in this category are measured at fair value at initial recognition. Attributable transaction costs are recognized in profit or loss as incurred. Subsequent changes that are measured at fair value, which take into account any dividend and interest income, are recognized in profit or loss.

4) Impairment of financial assets

The Bank recognizes loss allowances for expected credit losses on financial assets measured at amortized cost, debt investments measured at FVOCI and financing commitments; and on "Loans and receivables" and off-balance-sheet loan assets in accordance with the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-Performing and Non-Accrued Loans" for the provision of appropriate allowance for loss, guarantee reserve and financing commitment reserve.

(Continued)

Bank of Panhsin
Notes to the Financial Statements

The Bank determines whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information, and analysis, based on the Bank's historical experience and informed credit assessment, as well as forward-looking information.

Lifetime expected credit loss (ECL) are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Bank is exposed to credit risk.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognized in other comprehensive income instead of reducing the carrying amount of the asset. The Bank recognizes the amount of expected credit losses (or reversal) in profit or loss, as an impairment gain or loss.

Credits deemed as uncollectible are written off upon approval of the board of directors. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amounts due.

5) **Derecognition of financial assets**

Financial assets are derecognized when the contractual rights of the cash inflow from the assets are terminated, or when the Bank transfers substantially all the risks and rewards of ownership of the financial assets.

On derecognition of a debt instrument in its entirety, the Bank recognizes the difference between its carrying amount and the sum of the consideration received or receivable and any cumulative gain or loss that had been recognized in other comprehensive income and presented in "other equity-unrealized gains or losses on fair value through other comprehensive income", in profit or loss, and presented it in realized gain and loss on financial assets measured at fair value through other comprehensive income.

(Continued)

Bank of Panhsin
Notes to the Financial Statements

On derecognition of a financial asset other than in its entirety, the Bank allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized, and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income, is recognized in profit or loss and presented in realized gain and loss on financial assets measured at fair value through other comprehensive income. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt or equity instruments issued by the Bank are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definition of financial liabilities and equity instruments.

2) Equity instruments

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the cost of issuing.

3) Financial liabilities

Except for financial liabilities at fair value through profit or loss, all financial liabilities are evaluated by using the amortized cost under the effective interest rate method.

Financial liabilities at fair value through profit or loss includes financial liabilities held-for-trading and financial liabilities measured at fair value through profit or loss.

Any profit or loss remeasurement from financial liabilities held-for-trading (including any dividend payout or interest expense) are recognized in profit or loss.

The Bank designates its financial liabilities, other than those classified as held-for-trading, as at fair value through profit or loss at initial recognition under one of the following situations:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on a different basis;
- Performance of the financial liabilities is evaluated on a fair value basis;
- A hybrid instrument contains one or more embedded derivatives.

(Continued)

Bank of Panhsin
Notes to the Financial Statements

For financial liabilities measured at fair value through profit or loss, their fair value that changes due to the liabilities that are exposed to credit risk should be recognized under other comprehensive income. The financial liabilities will be reclassified to retained earnings then subsequently reclassified under profit or loss during derecognition. All changes in other fair value (including any dividend payout or interest expense) should be recognized under profit or loss. If, and only if, an accounting mismatch occurs, the changes in fair value shall be accounted as current profit or loss.

4) Derecognition

The difference between the carry amount and the payment (including all transferred non-case assets or liabilities) should be accounted as current profit or loss when derecognizing financial liabilities.

(g) Investment in subsidiaries

In the preparation of the financial statements, if the Bank has control of an investee company, it is accounted for under the equity method. Under the equity method, the net income and total comprehensive income in the financial statements are consistent with the net income and total comprehensive income attributed to the parent company in the consolidated financial report.

Changes in the Bank's ownership interest in a subsidiary that do not result in the Bank losing control of the subsidiary are treated as transactions between owners.

(h) Property and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Major improvements and renewals are capitalized, while repairs and maintenance are charged to current expenses.

When an item of property, plant and equipment consists of different components and the cost of a component is significant relative to the total cost of the item of property, plant and equipment, the component will be depreciated separately.

Depreciation is computed using the straight-line method over service lives estimated as follows: buildings, 8 to 65 years; machinery and equipment, 3 to 13 years; transportation equipment, 3 to 11 years; other equipment, 3 to 16 years; and leasehold improvements, 1 to 11 years.

The depreciation method, useful life, and residual value of an asset shall be reviewed at each financial year-end and adequately adjusted when necessary.

Upon retirement or disposal of property and equipment, the related cost and accumulated depreciation are deducted from the respective accounts, and the related gain or loss is recognized as other noninterest income or loss.

(Continued)

Bank of Panhsin
Notes to the Financial Statements

(i) Leases

(i) Identifying a lease

At inception of a contract, the Bank assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(ii) As a lessee

The Bank recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Bank's incremental borrowing rate, and measured at amortized cost using the effective interest method in the subsequent. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Bank has elected not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value items. The Bank recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(iii) As a lessor

When the Bank acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Bank makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Bank considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(Continued)

Bank of Panhsin
Notes to the Financial Statements

(j) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, or to use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently measured under the cost model, and the depreciation expense is calculated using the depreciable amount. The depreciation method, useful life, and residual amount are the same as those adopted for property, plant and equipment. Cost includes expenditure that is directly attributable to the acquisition of the investment property and any other cost and capitalized borrowing costs that can be directly attributed.

When the use of an investment property changes such that it is reclassified as property, plant and equipment, its carrying amount at the date of reclassification becomes its cost for subsequent accounting.

(k) Intangible assets

(i) Goodwill

Goodwill is measured as an excess of the cost of acquisition over the net fair value of the identifiable assets, liabilities and contingent liabilities acquired on the acquisition date. It is subsequently measured at cost, less, any accumulated impairment losses. To test for impairment, goodwill is allocated to each of the acquirer's cash-generating units, or groups of cash-generating units. If the carrying amount of the unit exceeds the recoverable amount of the unit, the Bank shall recognize the impairment loss. Impairment losses in respect of goodwill are irreversible.

(ii) Core deposits

Core deposits obtained from acquisition is measured on the fair value of the acquisition date and recorded separately from goodwill. Core deposits are stated at cost, less, accumulated amortization consequently. Amortization is computed using the straight-line method over 19 to 20 years.

(iii) Computer software

Computer software is recorded on the basis of the actual cost of acquisition and amortized using the straight-line method over 3 to 10 years.

(l) Other assets — foreclosed collateral

Foreclosed collateral are initially recognized at the sale price. Any difference from the original value of the loans is recognized as bad debts. Foreclosed assets are remeasured at the net realizable value (NRV) on the reporting date, and recognized impairment losses if sufficient evidence shows the fair value is lower than the book value. Losses or gains on the disposal of foreclosed assets are recorded as other non-interest expense or income, net.

(Continued)

Bank of Panhsin
Notes to the Financial Statements

(m) Impairment of non-financial assets

The Bank estimates the recoverable amount (the lower of net fair value and value in use) for assets that have an indication of impairment (individual assets except for goodwill or a cash-generating unit) on the statement of financial position date. An impairment loss is recognized if the carrying amount is higher than the recoverable amount. For assets other than goodwill, reversal of impairment loss is recognized when the recoverable amount of the asset has increased from its prior-period estimation. The carrying amount after the reversal shall not exceed the recoverable amount or the depreciated or amortized balance of the assets assuming no impairment loss was recognized in prior periods. Regardless whether there exists an indication of impairment, goodwill is tested for impairment every year.

(n) Provisions

A provision shall be recognized when a present obligation results from a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. A provision is determined by discounting the expected future cash flow, using a pre-tax discount rate that reflects current market assessments of the time value of money and those risks specific to the liability.

(o) Revenue and expense

Except for financial assets and liabilities reported at fair value through profit or loss, all interest-bearing financial assets and interest-bearing financial liabilities are accrued using the effective interest rate method and are accounted for as interest revenue and interest expense in profit or loss.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest revenue is recognized using the interest rate to discount the future cash flows for the purpose of assessing impairment.

Service fee income and expense are recognized when loans or other services are provided. Service fee income and expense on significant projects are recognized when the projects are completed.

Service fee income and expense relating to loan services are amortized over the service periods or included in the effective interest rate for loans and receivables.

(p) Employee benefits

(i) Short-term employee benefits

For short-term employee benefits that are expected to be paid in the near future, the Bank recognized the non-discounted amount as current expenses.

(ii) Termination benefits

Termination benefits are incurred when the Bank terminates employment prior to employees qualifying for retirement, or the employees accepted voluntary redundancy to get termination benefits in return. If termination benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

(Continued)

Bank of Panhsin
Notes to the Financial Statements

(iii) Post-employment benefit plans

Post-employment benefit plans of the Bank are a defined contribution plan and a defined benefit plan.

A defined contribution plan is a post-employment benefit plan under which the Bank pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

A defined benefit plan is a post-employment benefit plan under which a benefit is paid to an employee on the basis of their age, service period, and salary at the date of retirement.

Costs, including service cost, net interest, and remeasurement, which comprise of the defined benefit plans are determined using the projected unit credit method. Service cost and net interest on the net defined benefit liability (asset) are recognized as employee benefit expenses in the period they occur. Remeasurement, comprising actuarial gains and losses, and the return on plan assets, excluding the amount included in net interest on the net defined liability (asset), are recognized in other comprehensive income in the period occurred. Remeasurement recognized in other comprehensive income is classified under retained earnings and will not be reclassified subsequently to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in the future contributions to the plans.

(iv) Preferential interest deposits

The Bank provides its employees preferential interest on deposits, including current and retired employees. The difference between the preferential interest rate and the market rate is recorded as an employee benefit.

In accordance with the Regulations Governing the Preparation of Financial Reports by Publicly Held Banks, if the preferential interest rate for retired employees exceeds the market rate, when the employees retire, the Bank shall calculate the excess interest using an actuarial method by adopting IAS 19. However the actuarial assumptions shall follow the government's related regulations.

(q) Financial guarantee contracts

Guarantee services are recognized at the fair value when the guarantee services are rendered. The aforementioned fair value is the service charges received when the contracts are signed, since the charges are set at arm's length. Unearned bank charges are recorded as deferred income and recognized as income on a straight-line basis in the contract period.

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Bank of Panhsin
Notes to the Financial Statements

(r) Income taxes

Income tax expenses include both taxes and deferred taxes. Except for expenses recognized directly in equity or other comprehensive income, all current and deferred taxes shall be recognized in profit or loss.

Current taxes include tax payables and tax deduction receivables on taxable gains (losses) for the year calculated using the statutory tax rate on the reporting date or the actual legislative tax rate, as well as tax adjustments related to prior years.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases.

Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realized or the liability is settled, which are normally the tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities may be offset against each other if the following criteria are met:

- (i) The entity has the legal right to settle tax assets and liabilities on a net basis; and
- (ii) The taxing of deferred tax assets and liabilities fulfills one of the scenarios below:
 - 1) levied by the same taxing authority; or
 - 2) levied by different taxing authorities, but where each such authority intends to settle tax assets and liabilities (where such amounts are significant) on a net basis every year of the period of expected asset realization or debt liquidation, or where the timing of asset realization and debt liquidation is matched.

A deferred tax asset should be recognized for unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which they can be utilized. Such deferred tax assets shall also be reviewed at each reporting date, and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(s) Business combinations

The Business Combinations use the acquisition method. The relevant cost of acquisition is recognized as expense during the period year when expense occurred or services provided.

The Bank measures goodwill by the fair value of the transfer consideration, including any amount belonging to non-controlling interests of the acquire, less, net amount of the identifiable assets and undertaking liabilities (used to be identified as fair value). If there is any negative after deduction, the Bank will reassess whether the acquired assets and undertaking liabilities are correctly identified, then will recognize the amount as bargain purchase benefit.

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Bank of Panhsin
Notes to the Financial Statements

The Bank will recognize the tentative amounts on the reporting date if the evaluation of the identifiable assets and undertaking liabilities has not yet been completed. To reflect the new information or the existing facts on the acquisition date, the Bank will make retroactive adjustment or recognize the additional assets and liability in the measurement period. The measurement period shall not exceed one year after the acquisition date.

(t) Earnings per share of common stock

Earnings per share are computed by dividing net income divided by the weighted-average number of issued shares of common stock outstanding during the year. The increase in issuance of stock dividends from retained earnings or capital surplus or the decrease in stock by offsetting accumulated deficits is adjusted retroactively. Furthermore, if the designated date of record for a stock dividend is proposed before publishing the financial statements, the earnings per common share are adjusted retroactively. If there is cumulative preferred stock outstanding, preferred stock dividends shall be deducted from net income whether or not dividends are declared.

Stock-based employee bonuses not yet approved by the shareholders' meeting are regarded as potential common stock. The Bank has to disclose basic earnings per share and diluted earnings per share if the increase in potential common stock would dilute earnings per share; otherwise, the Bank only needs to disclose basic earnings per share. The calculation of diluted earnings per share should consider the effect on net income and outstanding potential common stock.

(u) Operating segments

An operating segment is a component of the Bank that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Bank). The segment's operating results are reviewed regularly by the Bank's chief operating decision maker to make decisions pertaining to the allocation of resources to the segment and to assess its performance for which discrete financial information is available.

The Bank discloses the operating segment information in the consolidated financial statements and does not disclose the information in the financial statements.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the financial statements in conformity with the Regulations and the IFRSs endorsed by the FSC requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

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Bank of Panhsin
Notes to the Financial Statements

The related information of significant impacts on assumptions and estimation uncertainty which may result in adjustments in the upcoming year is as below:

(a) Assessment of financial assets impairment

The Bank recognizes loss allowances for expected credit losses on loans and receivables, debt instruments and financial guarantee contracts. Assessing the expected credit losses relies on the management's assumptions of probability of default (PD) and expected credit loss (ECL). The Bank considers the historical experiences, current market conditions and forward-looking estimation to the input values to be used in determining the impairment loss. The Bank periodically reviews the methods and assumptions behind the amount and schedule of expected credit loss to reduce the difference between expected and actual loss. For the details of the relevant assumptions, please refer to note 6(ao).

(b) Assessment of goodwill impairment

Assessment of goodwill impairment requires the management to make subjective judgments to identify cash-generating units, allocate the goodwill to related cash generating units, and estimate the recoverable amount of related cash generating units. The management of the Bank shall estimate the expected future cash flow from cash generating units and decide a proper discount rate for calculating the present value. If the actual cash flow is less than the expected cash flow, significant impairment losses may incur.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash	\$ 4,071,516	1,797,217
Checks for clearing	824,626	929,729
Due from banks	3,685,647	1,711,996
Total	<u>\$ 8,581,789</u>	<u>4,438,942</u>

Components of cash and cash equivalents are as follows:

	December 31, 2022	December 31, 2021
Cash and cash equivalents reported in the statements of financial position	\$ 8,581,789	4,438,942
Due from Central Bank and call loans to banks qualifying as cash and cash equivalents under the definition of IAS 7 note 6(b)	4,020,485	4,423,593
Securities purchased under resell agreements qualifying as cash and cash equivalents under the definition of IAS 7 note 6(f)	4,739,251	5,456,637
Cash and cash equivalents at end of period	<u>\$ 17,341,525</u>	<u>14,319,172</u>

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Bank of Panhsin
Notes to the Financial Statements

Analysis of interest rate risk and sensitivity for financial assets and liabilities is disclosed in note 6(ao).

(b) Due from Central Bank and call loans to banks

	December 31, 2022	December 31, 2021
Deposit reserves — account A (including foreign currency)	\$ 2,792,165	3,232,656
Deposit reserves — account B	7,906,237	7,045,111
Call loans to banks	1,228,320	1,190,937
Checking and settlement account	605,145	507,579
Total	<u>\$ 12,531,867</u>	<u>11,976,283</u>

Deposit reserves — account A are calculated at prescribed rates, using the average monthly balances of various deposit accounts, and are appropriated and deposited in the reserve account of the Central Bank of the Republic of China (Taiwan). Deposit reserves — account B are interest-free and can be withdrawn at any time; Deposit reserves — account A are interest-bearing and cannot be withdrawn except for the monthly adjustment to the required reserves permitted by relevant regulations.

Call loans to banks, deposit reserves — account A, due from Central Bank, and highly liquid investments that are readily convertible into known amount of cash and that are subject to insignificant risk of change in value are defined as cash and cash equivalents under IAS 7. The details were as follows:

	December 31, 2022	December 31, 2021
Deposit reserves — account A	\$ 2,792,165	3,232,656
Call loans to banks	1,228,320	1,190,937
	<u>\$ 4,020,485</u>	<u>4,423,593</u>

(c) Financial assets at fair value through profit or loss

As of December 31, 2022 and 2021, the financial assets at fair value through profit or loss were as follows:

	December 31, 2022	December 31, 2021
Financial assets mandatorily measured at fair value through profit or loss		
Fixed income	\$ 1,309,501	734,845
Equity securities	17,733	20,933
Beneficiary certificates	-	165,312
Derivatives	13,361	18,136
Total	<u>\$ 1,340,595</u>	<u>939,226</u>

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Notes to the Financial Statements

As of December 31, 2022 and 2021 the financial liabilities at fair value through profit or loss were as follows:

	December 31, 2022	December 31, 2021
Derivatives	\$ 10,942	8,391

There were no financial liabilities designated at fair value through profit or loss.

(d) Financial assets at fair value through other comprehensive income

	December 31, 2022	December 31, 2021
Investments in debt instruments at fair value through other comprehensive income :		
Government bonds	\$ 13,455,606	7,396,763
Corporate bonds	3,100,006	2,100,015
Financial debenture	92,069	553,698
Revaluation	(717,494)	(101,602)
Subtotal	<u>15,930,187</u>	<u>9,948,874</u>
Investments in equity instruments measured at fair value through other comprehensive income:		
Listed companies	170,367	280,105
Private companies	64,910	64,910
Revaluation	208,459	207,900
Subtotal	<u>443,736</u>	<u>552,915</u>
Total	<u>\$ 16,373,923</u>	<u>10,501,789</u>

(i) Investments in debt instruments at fair value through other comprehensive income

The Bank assesses that these securities are held within a business model whose objective the contractual cash flows and selling securities. For securities sold under repurchase agreements, please refer to note 6(r).

(ii) Investment in equity instruments at fair value through other comprehensive income

The purpose of the company holding this kind of assets is for long-term investments, and had been measured at fair value through other comprehensive income.

The Bank sold its investments which were designated as at fair value through other comprehensive income due to assets allocation. The fair value of the disposed investments and the gain on disposal amounted to \$881,404 and \$1,332,650, respectively, for the years ended December 31, 2022 and 2021. Thus, the accumulated (losses) gains on disposal were transferred from other equity to retained earnings. \$(140,397) and \$213,646, respectively.

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Notes to the Financial Statements

The dividend revenue of investment in equity instruments at fair value through other comprehensive income for the years ended December 31, 2022 and 2021 is as follows,

	2022	2021
Derecognize in reporting period	\$ 42,304	696
Holding at the end of reporting date	6,853	30,617
Total	<u>\$ 49,157</u>	<u>31,313</u>

- (iii) Please refer to note 6(ao) for the credit risk (including the impairment of investment in debt instruments) and market risk information.
- (iv) Please refer to note 8 for pledged financial assets measured at fair value through other comprehensive income.
- (v) Impairment loss of debt instruments at fair value through other comprehensive income recognized was as follow:

	2022			
	12-month ECL	Lifetime ECL- not impairment	Lifetime ECL- impairment	Total
Balance at beginning of the period	\$ 7,227	-	-	7,227
Changes due to financial instruments that have been identified at the beginning of the period:				
— The financial assets that have been derecognized	(2)	-	-	(2)
Foreign exchange and other movements	110	-	-	110
Balance at end of the period	<u>\$ 7,335</u>	<u>-</u>	<u>-</u>	<u>7,335</u>

	2021			
	12-month ECL	Lifetime ECL- not impairment	Lifetime ECL- impairment	Total
Balance at beginning of the period	\$ 3,794	-	-	3,794
Changes due to financial instruments that have been identified at the beginning of the period:				
— The financial assets that have been derecognized	(280)	-	-	(280)
Purchased or originated financial assets	2,996	-	-	2,996
Foreign exchange and other movements	717	-	-	717
Balance at end of the period	<u>\$ 7,227</u>	<u>-</u>	<u>-</u>	<u>7,227</u>

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Notes to the Financial Statements

(e) Financial assets at amortized cost

	December 31, 2022	December 31, 2021
Negotiable certificates of deposit	\$ 36,550,000	37,660,000
Government bonds	1,283,595	-
Corporate bonds	1,000,000	-
Foreign bonds	13,276,852	11,316,799
Less: accumulated impairment	(1,426)	(1,307)
Total	<u>\$ 52,109,021</u>	<u>48,975,492</u>

Reversal of (provision for) impairment loss on investments in debt instruments measured at amortized cost recognized was as follow:

	2022			
	12-month ECL	Lifetime ECL- not impairment	Lifetime ECL- impairment nt	Total
Balance at beginning of the period	\$ 1,307	-	-	1,307
Purchased or originated financial assets	119	-	-	119
Balance at end of the period	<u>\$ 1,426</u>	<u>-</u>	<u>-</u>	<u>1,426</u>

	2021			
	12-month ECL	Lifetime ECL- not impairment	Lifetime ECL- impairment nt	Total
Balance at beginning of the period	\$ 1,739	-	-	1,739
Foreign exchange and other movement	(432)	-	-	(432)
Balance at end of the period	<u>\$ 1,307</u>	<u>-</u>	<u>-</u>	<u>1,307</u>

The Bank assessed that these financial assets were held-to-maturity to collect the contractual cash flows, which consisted solely of payments of principal and interest on principal amount outstanding.

For securities sold under repurchase agreements, please refer to note 6(r).

Please refer to note 6(ao) for the credit risk (including the impairment of investment in debt instruments) and market risk information.

(f) Securities purchased under resell agreements

	December 31, 2022		
	Amount	Contractual repurchase or resell period	Contractual interest rate range (%)
Securities purchased under resell agreements	<u>\$ 4,739,251</u>	2023.1.3~2023.1.16	1.29~1.30
			<u>4,740,667</u>

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December 31, 2021				
	Amount	Contractual repurchase or resell period	Contractual interest rate range (%)	Amount of resell agreements
Securities purchased under resell agreements	<u>\$ 5,456,637</u>	2022.1.3~2022.1.17	0.33	<u>5,457,360</u>
(g) Receivables, net				
		December 31, 2022	December 31, 2021	
Interests receivable	\$	519,597	357,495	
Accounts receivable		69,756	81,074	
Spot exchange receivable		516	790	
Acceptance receivable		1,665,560	243,776	
Accrued revenue		106,819	17,002	
Factoring of receivables		106,145	162	
Dividend receivable		28	110	
Securities settlement receivable		39,367	79,378	
Other receivables		44,736	51,429	
Total		2,552,524	831,216	
Less: allowance for interests receivable		(8,409)	(7,915)	
allowance for acceptance receivable		(17,687)	(14,209)	
allowance for other receivable		(7,321)	(6,036)	
allowance for bad and doubtful accounts — factoring of receivables		(1,307)	(6)	
	\$	2,517,800	803,050	

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For the years ended December 31, 2022 and 2021, changes in allowance for receivables was as follows:

	2022						Total
	12-month ECL	Lifetime ECL	Lifetime ECL (Not purchased or originated credit-impaired financial assets)	Lifetime ECL (Purchased or originated credit-impaired financial assets)	The provision of impairment in accordance with IFRS 9	Additional provision of impairment in accordance with the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal With Non-performing/ Non-accrual Loans"	
Beginning balance	\$ 4,112	2,270	384	-	6,766	21,400	28,166
Changes due to financial instruments that have been identified at the beginning of the period:							
— Transfer to lifetime ECL	(2)	14	(12)	-	-		-
— Transfer to credit-impaired financial assets	(1)	(5)	6	-	-		-
— Transfer to 12-month ECL	10	(2)	(8)	-	-		-
— The financial assets that have been derecognized	(3,782)	(15)	(100)	-	(3,897)		(3,897)
New financial assets originated or purchased	7,753	5	19	-	7,777		7,777
Additional provision of impairment in accordance with the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal With Non-performing / Non-accrual Loans"						2,551	2,551
Write-offs	-	-	(715)	-	(715)		(715)
Foreign exchange and other movements	349	(251)	744	-	842		842
Ending balance	\$ 8,439	2,016	318	-	10,773	23,951	34,724

	2021						Total
	12-month ECL	Lifetime ECL	Lifetime ECL (Not purchased or originated credit-impaired financial assets)	Lifetime ECL (Purchased or originated credit-impaired financial assets)	The provision of impairment in accordance with IFRS 9	Additional provision of impairment in accordance with the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal With Non-performing/ Non-accrual Loans"	
Beginning balance	\$ 11,945	3,299	487	-	15,731	5,781	21,512
Changes due to financial instruments that have been identified at the beginning of the period:							
— Transfer to lifetime ECL	(1)	11	(10)	-	-		-
— Transfer to credit-impaired financial assets	(2)	(2)	4	-	-		-
— Transfer to 12-month ECL	10	(3)	(7)	-	-		-
— The financial assets that have been derecognized	(11,587)	(13)	(143)	-	(11,743)		(11,743)
New financial assets originated or purchased	3,871	11	120	-	4,002		4,002
Additional provision of impairment in accordance with the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal With Non-performing / Non-accrual Loans"						15,619	15,619
Write-offs	-	-	(914)	-	(914)		(914)
Foreign exchange and other movements	(124)	(1,033)	847	-	(310)		(310)
Ending balance	\$ 4,112	2,270	384	-	6,766	21,400	28,166

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Bank of Panhsin
Notes to the Financial Statements

(h) Loans and discounts, net

	December 31, 2022	December 31, 2021
Export bills negotiated and Bills and notes discounted	\$ 13,131	96,305
Short-term loans and overdrafts	50,284,108	63,179,134
Accounts receivable financing	105,049	1,458
Medium-term loans	102,560,366	83,250,688
Long-term loans	42,219,523	42,866,575
Non-performing loans	369,528	402,770
Subtotal	195,551,705	189,796,930
Less: allowance for doubtful accounts	(2,383,479)	(2,294,037)
	<u>\$ 193,168,226</u>	<u>187,502,893</u>

Please refer to note 6(ao) for the industry information.

For the years ended December 31, 2022 and 2021, suspended accrual of interest for all of non-performing loans amounted to \$9,889 and \$11,317, respectively.

For the years ended December 31, 2022 and 2021, changes in allowance for loans and discounts was as follows:

	2022						
	12-month ECL	Lifetime ECL	Lifetime ECL (Not purchased or originated credit-impaired financial assets)	Lifetime ECL (Purchased or originated credit-impaired financial assets)	The provision of impairment in accordance with IFRS 9	Additional provision of impairment in accordance with the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal With Non-performing/ Non-accrual Loans"	Total
Beginning balance	\$ 483,648	66,986	87,998	-	638,632	1,655,405	2,294,037
Changes due to instruments that have been identified at the beginning of the period:							
— Transfer to lifetime ECL	(2,374)	6,155	(3,781)	-	-		-
— Transfer to credit-impaired financial assets	(1,127)	(1,780)	2,907	-	-		-
— Transfer to 12-month ECL	17,545	(2,819)	(14,726)	-	-		-
— The financial assets that have been derecognized	(254,735)	(10,907)	(31,315)	-	(296,957)		(296,957)
New financial assets originated or purchased	260,959	3,458	18,408	-	282,825		282,825
Additional provision of impairment in accordance with the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal With Non-performing/ Non-accrual Loans"						126,749	126,749
Write-off	-	-	(126,653)	-	(126,653)		(126,653)
Recoveries	-	-	159,423	-	159,423		159,423
Foreign exchange and other movement	(70,377)	36,940	(22,508)	-	(55,945)		(55,945)
Ending balance	<u>\$ 433,539</u>	<u>98,033</u>	<u>69,753</u>	<u>-</u>	<u>601,325</u>	<u>1,782,154</u>	<u>2,383,479</u>

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Notes to the Financial Statements

2021							
	12-month ECL	Lifetime ECL	Lifetime ECL (Not purchased or originated credit-impaired financial assets)	Lifetime ECL (Purchased or originated credit-impaired financial assets)	The provision of impairment in accordance with IFRS 9	Additional provision of impairment in accordance with the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal With Non-performing/ Non-accrual Loans"	Total
Beginning balance	\$ 663,646	105,980	142,481	-	912,107	1,204,662	2,116,769
Changes due to instruments that have been identified at the beginning of the period:							
— Transfer to lifetime ECL	(1,482)	7,746	(6,264)	-	-		-
— Transfer to credit-impaired financial assets	(4,506)	(1,822)	6,328	-	-		-
— Transfer to 12-month ECL	4,120	(2,414)	(1,706)	-	-		-
— The financial assets that have been derecognized	(355,801)	(15,773)	(29,656)	-	(401,230)		(401,230)
New financial assets originated or purchased	313,442	8,811	18,232	-	340,485		340,485
Additional provision of impairment in accordance with the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal With Non-performing/ Non-accrual Loans"						450,743	450,743
Write-off	-	-	(180,515)	-	(180,515)		(180,515)
Recoveries	-	-	190,711	-	190,711		190,711
Foreign exchange and other movement	(135,771)	(35,542)	(51,613)	-	(222,926)		(222,926)
Ending balance	<u>\$ 483,648</u>	<u>66,986</u>	<u>87,998</u>	<u>-</u>	<u>638,632</u>	<u>1,655,405</u>	<u>2,294,037</u>

(i) Other financial assets, net

	December 31, 2022	December 31, 2021
Non-performing loans	\$ 43,822	43,840
Less: allowance for doubtful accounts	(34,920)	(32,411)
Total	<u>\$ 8,902</u>	<u>11,429</u>

For the years ended December 31, 2022 and 2021, changes in allowance for Other financial assets was as follows:

2022							
	12-month ECL	Lifetime ECL	Lifetime ECL (Not purchased or originated credit-impaired financial assets)	Lifetime ECL (Purchased or originated credit-impaired financial assets)	The provision of impairment in accordance with IFRS 9	Additional provision of impairment in accordance with the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal With Non-performing/ Non-accrual Loans"	Total
Beginning balance	\$ -	-	32,411	-	32,411		32,411
Foreign exchange and other movement	-	-	2,509	-	2,509		2,509
Ending balance	<u>\$ -</u>	<u>-</u>	<u>34,920</u>	<u>-</u>	<u>34,920</u>		<u>34,920</u>

2021							
	12-month ECL	Lifetime ECL	Lifetime ECL (Not purchased or originated credit-impaired financial assets)	Lifetime ECL (Purchased or originated credit-impaired financial assets)	The provision of impairment in accordance with IFRS 9	Additional provision of impairment in accordance with the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans	Total
Beginning balance	\$ -	-	23,534	-	23,534		23,534
New financial assets originated or purchased	-	-	8,877	-	8,877		8,877
Ending balance	<u>\$ -</u>	<u>-</u>	<u>32,411</u>	<u>-</u>	<u>32,411</u>		<u>32,411</u>

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(j) Investments accounted for using equity method, net

As of December 31, 2022 and 2021, details of investments accounted for using the equity method were as follows:

December 31, 2022			
	Percentage of ownership (%)	Investment Cost	Amount
Subsidiaries			
Panhsin Asset Management Co., Ltd.	100.00	\$ 488,000	633,911
Panhsin International Leasing Co., Ltd.	100.00	375,000	421,083
		<u>\$ 863,000</u>	<u>1,054,994</u>
December 31, 2021			
	Percentage of ownership (%)	Investment Cost	Amount
Subsidiaries			
Panhsin Asset Management Co., Ltd.	100.00	\$ 488,000	626,974
Panhsin International Leasing Co., Ltd.	100.00	350,000	397,739
		<u>\$ 838,000</u>	<u>1,024,713</u>

Following the resolution of special shareholders' meeting held on April 25, 2022, Panhsin International Leasing Co., Ltd. decided a capital reduction amounting to \$135,000 for offsetting loss and a capital increase amounting to \$160,000. The Company had completed the registration of the capital reduction and increase. The paid-in capital was \$414,075 of 41,408 thousand common stocks at NT\$10 per share.

(k) Property and equipment, net

December 31, 2022	Cost	Accumulated depreciation	Net
Land	\$ 4,493,654	-	4,493,654
Buildings	2,265,098	(458,091)	1,807,007
Machinery and equipment	351,984	(276,271)	75,713
Transportation equipment	138,807	(104,586)	34,221
Other equipment	760,816	(663,782)	97,034
Leasehold improvements	298,550	(272,918)	25,632
Construction in progress	363,631	-	363,631
Total	<u>\$ 8,672,540</u>	<u>(1,775,648)</u>	<u>6,896,892</u>

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Notes to the Financial Statements

December 31, 2021	Cost	Accumulated depreciation	Net
Land	\$ 4,815,430	-	4,815,430
Buildings	2,320,155	(431,847)	1,888,308
Machinery and equipment	355,662	(268,439)	87,223
Transportation equipment	129,595	(96,618)	32,977
Other equipment	747,992	(635,797)	112,195
Leasehold improvements	285,972	(257,856)	28,116
Construction in progress	16,918	-	16,918
Total	\$ 8,671,724	(1,690,557)	6,981,167

Movements of cost were as below:

	January 1, 2022	Additions	Disposals or retirements	Other (note 1)	December 31, 2022
Land	\$ 4,815,430	-	-	(321,776)	4,493,654
Buildings	2,320,155	-	-	(55,057)	2,265,098
Machinery and equipment	355,662	-	(19,291)	15,613	351,984
Transportation equipment	129,595	-	(3,571)	12,783	138,807
Other equipment	747,992	8,993	(6,238)	10,069	760,816
Leasehold improvements	285,972	12,578	-	-	298,550
Construction in progress	16,918	341,917	-	4,796	363,631
Total	\$ 8,671,724	363,488	(29,100)	(333,572)	8,672,540

	January 1, 2021	Additions	Disposals or retirements	Other (note 2)	December 31, 2021
Land	\$ 4,774,388	-	(9,542)	50,584	4,815,430
Buildings	2,112,576	264	-	207,315	2,320,155
Machinery and equipment	363,986	-	(20,901)	12,577	355,662
Transportation equipment	130,118	-	(9,060)	8,537	129,595
Other equipment	745,209	-	(3,879)	6,662	747,992
Leasehold improvements	273,663	-	-	12,309	285,972
Construction in progress	115,958	11,103	-	(110,143)	16,918
Total	\$ 8,515,898	11,367	(43,382)	187,841	8,671,724

Note: 1) Reclassification from other assets — prepayments amounting to \$38,465. The net amount of reclassification to construction in progress under property and equipment was \$4,796 with the cost of building under investment property amounting to \$8,706 after deducting the accumulated depreciation amounting to \$3,910. Reclassification to buildings under investment properties amounting to \$321,776 and \$55,057, respectively.

2) Reclassification from other assets — prepayments, land under investment properties and buildings under investment properties amounting to \$27,156, \$50,584 and \$110,101, respectively.

(Continued)

Bank of Panhsin
Notes to the Financial Statements

Movements of accumulated depreciation were as below:

	January 1, 2022	Additions	Disposals or retirements	Other (note 3)	December 31, 2022
Buildings	\$ 431,847	35,614	-	(9,370)	458,091
Machinery and equipment	268,439	26,691	(18,859)	-	276,271
Transportation equipment	96,618	11,261	(3,293)	-	104,586
Other equipment	635,797	33,387	(5,402)	-	663,782
Leasehold improvements	257,856	15,062	-	-	272,918
Total	\$ 1,690,557	122,015	(27,554)	(9,370)	1,775,648

	January 1, 2021	Additions	Disposals or retirements	Other (note 4)	December 31, 2021
Buildings	\$ 380,984	37,429	-	13,434	431,847
Machinery and equipment	254,414	34,198	(20,173)	-	268,439
Transportation equipment	93,837	11,488	(8,707)	-	96,618
Other equipment	600,256	39,047	(3,506)	-	635,797
Leasehold improvements	240,450	17,406	-	-	257,856
Total	\$ 1,569,941	139,568	(32,386)	13,434	1,690,557

Note: 3) Reclassification to investment property of \$9,370.

Note: 4) Reclassification from investment property of \$13,434.

As of March 28, 2014, the Bank sold the self-owned building, located at No. 330 Zhongzheng Rd., Banqiao Dist., New Taipei City 220, Taiwan (R.O.C.) with the price of \$950,000. Gain on disposal of the building amounting to \$37,615 was recognized after deducting the related expenses of \$495,714 and carrying value. According to the Banking Bureau's letter dated May 15, 2013 (Ref. No. 10200070270), while banks sale and lease back real estates, the gain on property exchange shall be deferred. The gain deferred by the Bank on property exchange for sale and lease back as of December 31, 2022 and 2021, was \$32,526 and \$46,983, respectively, which was recognized as other liabilities-deferred revenue. The realized gain on property exchange for 2022 and 2021, was \$14,457 and \$14,456, respectively, which was recognized as gain on property exchange and other non-interest income-investment property.

(I) Right-of-use assets

December 31, 2022	Cost	Accumulated depreciation	Net
Buildings	\$ 741,733	(319,085)	422,648
Transportation equipment	21,663	(11,605)	10,058
Other equipment	15,744	(11,456)	4,288
Total	\$ 779,140	(342,146)	436,994

(Continued)

Bank of Panhsin
Notes to the Financial Statements

December 31, 2021	Cost	Accumulated depreciation	Net
Buildings	\$ 664,316	(303,892)	360,424
Transportation equipment	21,224	(11,479)	9,745
Other equipment	15,744	(8,024)	7,720
Total	\$ 701,284	(323,395)	377,889

Movements of cost were as below:

	January 1, 2022	Additions	Disposals or retirements	December 31, 2022
Buildings	\$ 664,316	222,023	(144,606)	741,733
Transportation equipment	21,224	8,265	(7,826)	21,663
Other equipment	15,744	-	-	15,744
Total	\$ 701,284	230,288	(152,432)	779,140

	January 1, 2021	Additions	Disposals or retirements	December 31, 2021
Buildings	\$ 614,409	152,989	(103,082)	664,316
Transportation equipment	18,517	7,765	(5,058)	21,224
Other equipment	15,744	-	-	15,744
Total	\$ 648,670	160,754	(108,140)	701,284

Movements of accumulated depreciation were as below:

	January 1, 2022	Additions	Disposals or retirements	December 31, 2022
Buildings	\$ 303,892	159,799	(144,606)	319,085
Transportation equipment	11,479	7,952	(7,826)	11,605
Other equipment	8,024	3,432	-	11,456
Total	\$ 323,395	171,183	(152,432)	342,146

	January 1, 2021	Additions	Disposals or retirements	December 31, 2021
Buildings	\$ 236,318	155,913	(88,339)	303,892
Transportation equipment	8,859	7,184	(4,564)	11,479
Other equipment	4,595	3,429	-	8,024
Total	\$ 249,772	166,526	(92,903)	323,395

(Continued)

Bank of Panhsin
Notes to the Financial Statements

(m) Investment property, net

December 31, 2022	Cost	Accumulated depreciation	Net
Land	\$ 1,395,631	-	1,395,631
Buildings	2,003,351	(304,160)	1,699,191
Total	\$ 3,398,982	(304,160)	3,094,822

December 31, 2021	Cost	Accumulated depreciation	Net
Land	\$ 1,051,343	-	1,051,343
Buildings	1,957,000	(269,191)	1,687,809
Total	\$ 3,008,343	(269,191)	2,739,152

Movements of cost were as below:

	January 1, 2022	Additions	Disposals or retirements	Reclassification (note 1)	December 31, 2022
Land	\$ 1,051,343	22,512	-	321,776	1,395,631
Buildings	1,957,000	-	-	46,351	2,003,351
Total	\$ 3,008,343	22,512	-	368,127	3,398,982

	January 1, 2021	Additions	Disposals or retirements	Reclassification (note 2)	December 31, 2021
Land	\$ 1,103,817	-	(1,890)	(50,584)	1,051,343
Buildings	2,067,101	-	-	(110,101)	1,957,000
Total	\$ 3,170,918	-	(1,890)	(160,685)	3,008,343

Note: 1) Reclassification from land and buildings under property and equipment amounting to \$321,776 and \$55,057, respectively and reclassification to construction in progress under property and equipment amounting to \$8,706.

2) Reclassification to land under property and equipment amounting to \$50,584 and \$110,101, respectively.

Movements of accumulated depreciation were as follows:

	January 1, 2022	Current increase	Current decrease	Reclassification (note 3)	December 31, 2022
Building	\$ 269,191	29,509	-	5,460	304,160

	January 1, 2021	Current increase	Current decrease	Reclassification (note 4)	December 31, 2021
Building	\$ 254,730	27,895	-	(13,434)	269,191

Note: 3) Reclassification from land and buildings under property and equipment amounting to \$9,370 and reclassification to construction in progress under property and equipment amounting to \$3,910.

Note: 4) Reclassification to buildings under property and equipment amounting to \$13,434.

(Continued)

Bank of Panhsin
Notes to the Financial Statements

According to the evaluation of investment property by external and internal appraisers, the fair value of the investment property held by the Bank as of December 31, 2022 and 2021, was \$6,315,313 and \$6,175,399, respectively. The appraisal approaches including sales comparison approach, income approach, and land development analysis. The fair value hierarchy for input value are level 2 or 3.

The investment properties held by the Bank included commercial real estate leasing to others. Every leasing contract contained originally nonrenewable leasing period. The subsequent leasing periods were negotiated with lessees and there were no contingent rents. Please refer to note 6(ao).

As of December 31, 2022, the investment properties owned by the Bank were not under pledge.

(n) Intangible assets, net

	December 31, 2022	December 31, 2021
Goodwill	\$ 2,197,921	2,197,921
Computer software	164,236	158,300
Core deposits	77,018	84,239
Total	<u>\$ 2,439,175</u>	<u>2,440,460</u>

Goodwill of the Bank arose from acquisition of the outstanding assets and liabilities of The Ninth Credit Cooperative of Taipei, The Fifth Credit Cooperative of Kaohsiung and The First Credit Cooperative of Chiayi.

The bank perform impairment test of goodwill based on projected future cash flow with normal operation situation and business cycle.

Movements of intangible assets were as follows:

	January 1, 2022	Additions	Disposals or retirements	Amortization	Other (note 1)	December 31, 2022
Goodwill	\$ 2,197,921	-	-	-	-	2,197,921
Computer software	158,300	-	-	(46,906)	52,842	164,236
Core deposits	84,239	-	-	(7,221)	-	77,018
Total	<u>\$ 2,440,460</u>	<u>-</u>	<u>-</u>	<u>(54,127)</u>	<u>52,842</u>	<u>2,439,175</u>

	January 1, 2021	Additions	Disposals or retirements	Amortization	Other (note 2)	December 31, 2021
Goodwill	\$ 2,197,921	-	-	-	-	2,197,921
Computer software	179,187	-	-	(46,255)	25,368	158,300
Core deposits	91,461	-	-	(7,222)	-	84,239
Total	<u>\$ 2,468,569</u>	<u>-</u>	<u>-</u>	<u>(53,477)</u>	<u>25,368</u>	<u>2,440,460</u>

Note: 1) Reclassification from other assets — prepayments amounting to \$52,842.

2) Reclassification from other assets — prepayments amounting to \$25,368.

(Continued)

Bank of Panhsin
Notes to the Financial Statements

(o) Other assets, net

	December 31, 2022	December 31, 2021
Prepayments	\$ 67,602	65,029
Refundable deposits	517,518	545,472
Total	<u>\$ 585,120</u>	<u>610,501</u>

Movements of the foreclosed collateral were as follows:

	January 1, 2022	Additions	Disposals or retirements	Reclassification	December 31, 2022
Cost	\$ 23,994	-	-	-	23,994
Less: Accumulated impairment	23,994	-	-	-	23,994
Total	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

	January 1, 2021	Additions	Disposals or retirements	Reclassification	December 31, 2021
Cost	\$ 103,538	-	(79,544)	-	23,994
Less: Accumulated impairment	39,903	-	(15,909)	-	23,994
Total	<u>\$ 63,635</u>	<u>-</u>	<u>(63,635)</u>	<u>-</u>	<u>-</u>

(p) Deposits from Central Bank and other banks

	December 31, 2022	December 31, 2021
Deposits from banks	\$ 308,932	548,253
Deposits transferred from the Post Office	2,520	6,900
Call loans from bank	959,906	1,298,635
Total	<u>\$ 1,271,358</u>	<u>1,853,788</u>

(q) Due to Central Bank and other banks

	December 31, 2022	December 31, 2021
Other Due to Central Bank	<u>\$ -</u>	<u>706,360</u>

(Continued)

Bank of Panhsin
Notes to the Financial Statements

(r) Securities sold under repurchase agreements

Item	December 31, 2022			
	Par Value	Selling price (note)	Designated repurchase amount	Designated repurchase date
Financial assets at fair value through other comprehensive income	\$ 1,535,400	1,276,694	1,286,611	Before February 21, 2023
Investments in debt instruments at amortized cost	1,381,860	1,155,731	1,166,271	Before February 3, 2023
Total	<u>\$ 2,917,260</u>	<u>2,432,425</u>	<u>2,452,882</u>	

Note: Recognized under securities sold under repurchase agreements.

(s) Payable

	December 31, 2022	December 31, 2021
Accounts payable	\$ 49,042	46,828
Accrued expense	442,683	452,691
Accrued Tax	53,006	39,114
Interest payable	348,749	202,174
Acceptance payable	1,665,560	243,776
Dividends payable	62	55
Collection payable	102,428	103,881
Spot exchange payable	405	930
Other payables	955,562	1,062,784
Total	<u>\$ 3,617,497</u>	<u>2,152,233</u>

(Continued)

Bank of Panhsin
Notes to the Financial Statements

(t) Deposits and remittances

	December 31, 2022	December 31, 2021
Checking account	\$ 2,113,378	2,173,049
Demand deposits		
Demand deposits	54,308,690	55,297,565
Demand savings deposits	61,891,554	61,329,216
Staff deposits	1,311,863	1,293,353
Subtotal	117,512,107	117,920,134
Time deposits		
Time deposits	36,700,858	35,490,753
Negotiable certificates of deposit	334,300	310,900
Subtotal	37,035,158	35,801,653
Time savings deposits		
Installment savings deposits	82,184	82,472
Non-interest-drawing time savings deposits	16,120,789	13,784,966
Interest-drawing savings deposits	67,657,569	65,485,109
Subtotal	83,860,542	79,352,547
Foreign currency time deposits	31,625,166	19,562,414
Remittances	45,565	22,860
Total	\$ 272,191,916	254,832,657

(Continued)

Bank of Panhsin
Notes to the Financial Statements

(u) Financial debenture

Name of bond	During	Interest rate	December 31, 2022	December 31, 2021
The first series of the non-cumulative perpetual subordinate financial debenture in 2016	2016.08.31 (note 1)	Fixed 4.75%	\$ 1,216,000	1,216,000
The second series of the non-cumulative perpetual subordinate financial debenture in 2016	2016.09.30 (note 1)	Fixed 4.75%	410,000	410,000
The first series of the subordinate financial debenture in 2017	2017.03.22~ 2024.03.22	Fixed 2.50%	397,000	397,000
The second series of the subordinate financial debenture in 2017	2017.03.31~ 2024.03.31	Fixed 2.50%	305,000	305,000
The third series of the non-cumulative perpetual subordinate financial debenture in 2017	2017.04.28 (note 1)	Fixed 4.75%	150,000	150,000
The fourth series of the non-cumulative perpetual subordinate financial debenture in 2017	2017.07.21 (note 1)	Fixed 4.75%	133,000	133,000
The fifth series of the subordinate financial debenture in 2017	2017.11.15~ 2024.11.15	Fixed 2.50%	700,000	700,000
The first series of the subordinate financial debenture in 2019	2019.06.26~ 2026.06.26	Fixed 2.25%	660,000	660,000
The first series of the subordinate financial debenture in 2021	2021.06.28~ 2028.06.28	Fixed 1.50%	1,000,000	1,000,000
The second series of the subordinate financial debenture in 2021	2021.09.29~ 2028.09.29	Fixed 1.50%	1,000,000	1,000,000
			\$ 5,971,000	5,971,000

Note 1: No expiration date, five years after the issuance, the Bank could obtain the full amount of interest in advance according to the denomination.

(v) Provisions

	December 31, 2022	December 31, 2021
Employee benefit obligation — pension	\$ 89,731	153,679
Employee benefit obligation — retired employee preferential interest rate deposits	33,604	33,976
Provision for guarantee liabilities	92,064	88,031
Provision for loan commitments	21,933	27,920
Other provisions	9,538	10,867
Provision for decommissioning	20,250	17,830
Total	\$ 267,120	332,303

(Continued)

Bank of Panhsin

Notes to the Financial Statements

For the years ended December 31, 2022 and 2021, changes in provision was as follows:

	2022						Total
	12-month ECL	Lifetime ECL	Lifetime ECL (Not purchased or originated credit-impaired financial assets)	Lifetime ECL (Purchased or originated credit-impaired financial assets)	The provision of impairment in accordance with IFRS 9	Additional provision of impairment in accordance with the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal With Non-performing/ Non-accrual Loans"	
Beginning balance	\$ 37,355	2,205	-	-	39,560	87,258	126,818
Changes due to instruments that have been identified at the beginning of the period:							
— Transfer to credit-impaired financial assets	(189)	(2,141)	2,330	-	-	-	-
— The financial assets that have been derecognized	(10,864)	(64)	-	-	(10,928)	-	(10,928)
New financial assets originated or purchased	14,838	-	-	-	14,838	-	14,838
Additional provision of impairment in accordance with the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal With Non-performing/ Non-accrual Loans"	-	-	-	-	-	511	511
Foreign exchange and other movement	(8,909)	-	1,205	-	(7,704)	-	(7,704)
Ending balance	<u>\$ 32,231</u>	<u>-</u>	<u>3,535</u>	<u>-</u>	<u>35,766</u>	<u>87,769</u>	<u>123,535</u>

	2021						Total
	12-month ECL	Lifetime ECL	Lifetime ECL (Not purchased or originated credit-impaired financial assets)	Lifetime ECL (Purchased or originated credit-impaired financial assets)	The provision of impairment in accordance with IFRS 9	Additional provision of impairment in accordance with the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal With Non-performing/ Non-accrual Loans"	
Beginning balance	\$ 39,001	33	-	-	39,034	42,846	81,880
Changes due to instruments that have been identified at the beginning of the period:							
— The financial assets that have been derecognized	(9,926)	(33)	-	-	(9,959)	-	(9,959)
New financial assets originated or purchased	16,624	2,205	-	-	18,829	-	18,829
Additional provision of impairment in accordance with the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal With Non-performing/ Non-accrual Loans"	-	-	-	-	-	44,412	44,412
Foreign exchange and other movement	(8,344)	-	-	-	(8,344)	-	(8,344)
Ending balance	<u>\$ 37,355</u>	<u>2,205</u>	<u>-</u>	<u>-</u>	<u>39,560</u>	<u>87,258</u>	<u>126,818</u>

(w) Lease liabilities

Amount of lease liabilities was as follows:

	December 31, 2022	December 31, 2021
Lease liabilities	<u>\$ 438,093</u>	<u>378,360</u>

For the maturity analysis, please refer to note 6(ao) Financial instruments.

(Continued)

Bank of Panhsin
Notes to the Financial Statements

The amounts recognized in profit or loss was as follows:

	2022	2021
Interest on lease liabilities	<u><u>\$ 10,209</u></u>	<u><u>10,140</u></u>
Variable lease payments not included in the measurement of lease liabilities	<u><u>\$ 2,493</u></u>	<u><u>2,806</u></u>
Expenses relating to short-term leases	<u><u>\$ 292</u></u>	<u><u>292</u></u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u><u>\$ 3,222</u></u>	<u><u>3,279</u></u>

The amounts recognized in the statement of cash flows for the Bank was as follows:

	2022	2021
Total cash outflow for leases	<u><u>\$ 184,331</u></u>	<u><u>179,613</u></u>

(i) Buildings

The Bank leases land and buildings for its branches and parking spaces. The leases typically run for a period of 2 to 10 years.

(ii) Others

The Bank also leases transportation equipment and other equipment with contract terms of 1 to 3 years and 5 years, respectively. These leases are short-term and/or leases of low-value items. The Bank has elected not to recognize right-of-use assets and lease liabilities for these leases.

(x) Other liabilities

	December 31, 2022	December 31, 2021
Unearned revenue	\$ 45,267	37,223
Advance interest receipts	487	93
Other advance receipts	9,356	3,510
Guarantee deposits received	181,778	145,731
Deferred revenue	32,526	46,983
Temporary receipts and suspense accounts	<u>21,960</u>	<u>11,213</u>
Total	<u><u>\$ 291,374</u></u>	<u><u>244,753</u></u>

(Continued)

Bank of Panhsin
Notes to the Financial Statements

(y) Employee benefits

(i) Defined benefits plan-pension

The present value of defined benefit obligation and the fair value adjustments of the plan assets for the Bank were as follows:

	December 31, 2022	December 31, 2021
Present value of the defined benefit	\$ 620,608	674,956
Fair value of plan assets obligations	(530,877)	(521,277)
	89,731	153,679
Effect of Asset Ceiling	-	-
Net defined benefit liability (provision-employee benefit obligation — pension)	<u>\$ 89,731</u>	<u>153,679</u>

1) Composition of plan assets

The Bank maintains funds for its retirement plan covering all regular employees and recognizing the pension expense based on the actuarial report.

In accordance with the retirement plan, payments of pension benefits are calculated based on the employees' average monthly salary for the last six months prior to their approved retirement and base point (b.p.) entitlement. The b.p. earned by each employee is 2 b.p. for one year of service, and 1 b.p. for the 15th year and thereafter where the maximum b.p. is 45 b.p. The b.p. for employees who rendered services for less than one year and over half year will be 0.5 b.p. and 1 b.p., respectively.

Under the Labor Standards Act, the Bank makes monthly contributions of no less than 2% of the gross salary to the employees' pension fund, which is deposited into a designated depository account with Bank of Taiwan. As well, the Bank contributes pension fund at the rate of 3.5% (previously at 4.7% until February 2001) of the monthly payroll to the employees' pension fund administration committee, which is being deposited in the committee's name in the Bank's Operating Department for interest bearing. This pension fund is not reflected in the financial statements.

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Bank of Panhsin
Notes to the Financial Statements

2) Movements in present value of the defined benefit obligations

The movements in present value of defined benefit obligations for the Bank were as follows:

	2022	2021
Defined benefit obligation at January 1	\$ 674,956	680,426
Current service costs and interest	13,122	11,057
Remeasurements of a net defined benefit liability (assets)		
— Actuarial losses (gains) arising from experience adjustments	5,343	4,569
— Actuarial losses (gains) arising from changes in demographic assumptions	-	26,824
— Actuarial losses (gains) arising from changes in financial assumptions	(33,412)	(24,093)
Benefits paid by the plan	(39,401)	(23,827)
Defined benefit obligation at December 31	<u>\$ 620,608</u>	<u>674,956</u>

3) Movements of the defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the Bank were as follows:

	2022	2021
Fair value of plan assets at January 1	\$ 521,277	526,520
Current interest	3,948	1,862
Remeasurements of the net defined benefit liabilities (assets)—return on plan assets (excluding current interest)	35,385	6,510
Contribution plans made	9,668	10,212
Benefits paid by the plan	(39,401)	(23,827)
Fair value of plan assets at December 31	<u>\$ 530,877</u>	<u>521,277</u>

4) Movements of the effect of the asset ceiling

There were no movements in the effect of the asset ceiling for the Bank in 2022 and 2021.

(Continued)

Bank of Panhsin
Notes to the Financial Statements

5) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Bank were as follows:

	2022	2021
Current service costs	\$ 8,060	8,676
Net interests on net defined benefit liabilities (Operation expense)	1,114	519
	<u>\$ 9,174</u>	<u>9,195</u>

6) Net remeasurement of the defined benefits liability recognized in other comprehensive income

The Bank's net remeasurement of the defined benefits liability recognized in other comprehensive income as 2022 and 2021 were as follows:

	2022	2021
Cumulative amounts at January 1	\$ 58,515	57,725
Recognized during the period	(63,454)	790
Cumulative amounts at December 31	<u>\$ (4,939)</u>	<u>58,515</u>

7) Actuarial assumptions

The following are the Bank's principal actuarial assumptions:

	December 31, 2022		December 31, 2021	
	Managers	Regular employees	Managers	Regular employees
Discount rate	1.40%	1.40%	0.75%	0.75%
Future salary increase	2.00%	2.00%	2.00%	2.00%

The Bank expected the contributions of \$9,668 to be paid to its benefit plans within a year after the reporting date in 2022.

As of December 31, 2022, the weighted average durations for managers and regular employees based on the defined benefit plan were 9 and 11 years, respectively.

8) Sensitivity analysis for actuarial assumption

When calculating the present value of the defined benefit obligations, the Bank uses judgments and estimations to determine the actuarial assumptions, including discount rates and future salary changes, as of the financial statement date. Any changes in the actuarial assumptions may significantly impact the amount of the defined benefit obligations.

(Continued)

Bank of Panhsin
Notes to the Financial Statements

As of December 31, 2022 and 2021, the effect of changes in actuarial assumption on the present value of the defined benefit obligation was as follows:

	The effect of defined benefit obligation	
	Increase%	Decrease%
At December 31, 2022		
Discount rate (changes 0.25%)	(2.11)%	2.18%
Future salary increase (changes 0.25%)	2.11%	(2.05)%
At December 31, 2021		
Discount rate (changes 0.25%)	(2.27)%	2.35%
Future salary increase (changes 0.25%)	2.26%	(2.19)%

The above sensitivity analysis is analyzed based on the effect of changes in a single assumption under the condition that other assumptions remain constant. In practice, many changes in assumptions may be correlative. The method used for sensitivity analysis and the calculation of the net pension liability are the same.

The method used for measurement and the assumption used for sensitivity analysis are the same with those of the previous years.

(ii) Defined benefit plans — retired employee preferential interest rate deposits

The present value of the defined benefit obligations and the fair value of the plan assets of the Bank were as follows:

	December 31, 2022	December 31, 2021
Present value of the defined benefit	\$ 33,604	33,976
Fair value of plan asset obligations	-	-
	33,604	33,976
Effect of Asset Ceiling	-	-
Net defined benefit liabilities (provisions-employee benefit obligations — retired employee preferential interest rate deposits)	<u><u>\$ 33,604</u></u>	<u><u>33,976</u></u>

1) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Bank were as follows:

	2022	2021
Current service costs (as costs recognized for the preferential interest rate deposit plan)	<u><u>\$ (372)</u></u>	<u><u>64</u></u>

(Continued)

Bank of Panhsin
Notes to the Financial Statements

2) Actuarial assumptions

Actuarial assumptions used for the preferential interest rate deposit plan of the Bank were as follows:

	2022	2021
Discount rates	4.00%	4.00%
Returns on fund deposits	2.00%	2.00%
Withdrawal rates	1.00%	1.00%
Possibility of changes in the preferential deposit plan	50.00%	50.00%
Preferential interests	4.32%	3.82%

(iii) Defined contribution plans

The Bank allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Bank allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligations.

The Bank's pension costs under the defined contribution method were \$52,738 and \$52,627 for the years ended December 31, 2022 and 2021, respectively. Payment was made to the Bureau of Labor Insurance.

(z) Income tax

(i) The income tax expenses for the years ended December 31, 2022 and 2021 were as follows:

	2022	2021
Income tax expense	\$ 190,457	126,988
Deferred income tax expense	62,898	89,825
Income tax expense	<u>\$ 253,355</u>	<u>216,813</u>

(Continued)

Bank of Panhsin
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Reconciliation of income tax and profit before tax for the years ended December 31, 2022 and 2021 was follows:

	2022	2021
Profit before tax	<u>\$ 1,898,815</u>	<u>1,256,742</u>
Income tax at statutory rate	\$ 379,763	251,348
Income of OBU exempt from tax	(142,494)	(109,144)
Investment income under the equity method	17,388	(9,490)
Dealing gain from securities trading, net	33,378	(73,345)
Dividend income	(10,036)	(6,585)
Capital reduction for offsetting loss of the subsidiaries	(27,000)	-
Adjustment of prior year's tax	9,852	27,856
Basic income tax	26,860	100,026
Other	(34,356)	36,147
Income tax expense	<u>\$ 253,355</u>	<u>216,813</u>

(ii) Deferred tax assets and liabilities — Recognized deferred tax assets and liabilities

The movements of deferred tax assets and liabilities for the years ended December 31, 2022 and 2021, were as follows:

Deferred tax liabilities:

	Operating leases	Land incremental tax	Total
December 31, 2022 (As of December 31 and January 1, 2021)	<u>\$ 3,538</u>	<u>105,285</u>	<u>108,823</u>

Deferred tax assets:

	Defined benefit plan	Allowance for bad debts in excess of limit	Tax loss	Others	Total
January 1, 2022	\$ 40,767	166,021	62,939	13,263	282,990
Recognized in profit or loss	(99)	-	(62,939)	140	(62,898)
December 31, 2022	<u>\$ 40,668</u>	<u>166,021</u>	<u>-</u>	<u>13,403</u>	<u>220,092</u>
January 1, 2021	\$ 40,970	166,021	152,352	13,472	372,815
Recognized in profit or loss	(203)	-	(89,413)	(209)	(89,825)
December 31, 2021	<u>\$ 40,767</u>	<u>166,021</u>	<u>62,939</u>	<u>13,263</u>	<u>282,990</u>

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Bank of Panhsin
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(iii) Examined status

The Banks' tax returns were examined by the tax authorities for all years through 2020.

(aa) Equity

(i) Capital stock

As of December 31, 2022 and 2021 the Bank's authorized capital and issued capital were \$18,000,000, and paid-in capital for common stock was \$16,639,182 and \$15,811,553, respectively.

Following the resolution of shareholders' meeting held on June 17, 2022, the Bank decided a capital increase of 82,763 thousand common stocks to be issued at NT\$10 per share from the retained earnings amounting to \$827,629, with August 19, 2022 as its issuance date for capital increase. The bank had completed the registration.

Following the resolution of shareholders' meeting held on July 15, 2021, the Bank decided a capital increase of 72,473 thousand common stocks to be issued at NT\$10 per share from the retained earnings amounting to \$724,726, with October 25, 2021 as its issuance date for capital increase. The bank had completed the registration.

(ii) Capital surplus

The balance of capital surplus was as follows:

	December 31, 2022	December 31, 2021
Other	<u><u>\$ 554</u></u>	<u><u>44</u></u>

Pursuant to the Company Act, realized capital surplus should be used initially to cover the deficit (or a loss), and the balance, if any, can be transferred to capital or distributed as case dividend. Also, realized capital surplus includes premium income derived from the issuance of new shares and endowments received by the Bank. According to the Regulation Governing the Offering and Issuance of Securities by Securities Issuers, the amount of capital surplus used to increase capital shall not exceed 10% of the total paid-in capital.

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Bank of Panhsin
Notes to the Financial Statements

(iii) Changes in the Bank's other equity interest were as below:

	Foreign currency translation difference for foreign operations	Gains (losses) on financial assets measured at fair value through other comprehensive income	Total
January 1, 2022	\$ (23,491)	113,525	90,034
Unrealized gains (losses) on financial assets at fair value through other comprehensive income	-	(763,431)	(763,431)
Reclassified accumulated profit (loss) to profit or loss on disposal of investments in debt instruments measured at fair value through other comprehensive income	-	7,809	7,809
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	140,397	140,397
Foreign currency translation differences for foreign operations	17,425	-	17,425
December 31, 2022	<u>\$ (6,066)</u>	<u>(501,700)</u>	<u>(507,766)</u>
January 1, 2021	\$ (19,119)	568,171	549,052
Unrealized gains (losses) on financial assets at fair value through other comprehensive income	-	(125,377)	(125,377)
Reclassified accumulated profit (loss) to profit or loss on disposal of investments in debt instruments measured at fair value through other comprehensive income	-	(115,623)	(115,623)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(213,646)	(213,646)
Foreign currency translation differences for foreign operations	(4,372)	-	(4,372)
December 31, 2021	<u>\$ (23,491)</u>	<u>113,525</u>	<u>90,034</u>

(ab) Restrictions on legal reserve and appropriation of retained earnings

The ROC Company Act stipulates that when a company incurs no loss, it may, pursuant to a resolution to be adopted by the shareholders' meeting as required, distribute its legal reserve by issuing new shares or distributing cash. Only the portion of legal reserve which exceeds 25% of the issued share capital may be distributed. However, according to the Bank Act of the Republic of China, unless and until the accumulated legal reserve equals the bank's paid-in capital, the maximum cash profit which may be distributed shall not exceed 15% of the bank's paid-in capital.

According to the Bank's Articles of Incorporation, any annual earnings of the Bank shall first be used to pay income tax and offset any deficits, after which, 30% of the remaining earnings, as well as the special reserve, shall be provided as legal reserve. Afterwards, the board of directors may propose during shareholders' meeting to distribute the remaining, along with previous years' accumulated undistributed surplus earnings, as dividends among the shareholders.

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In accordance with the rules issued by the FSC, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as a special earnings reserve during earnings distribution. The amount to be reclassified should be equal to the difference between the total net current-period reduction of other shareholders' equity. Similarly, a portion of undistributed prior-period earnings shall be reclassified as a special earnings reserve (which does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

In accordance with Ruling No. 10510001510 issued by the FSC on May 25, 2016, a special reserve accounted for 0.5% to 1.0% of the Bank's annual earnings should be made when making the appropriations of earnings from 2016 to 2018 to cope with the staff transformation due to financial technology development. The Bank may reverse the special reserve at the same amount with the actual spending on transitioning or settling of its employees beginning 2017. On June 17, 2022 and July 15, 2021, the shareholders' meetings resolved to reverse and appropriate the reserve amounting to \$16 and \$36, respectively.

The 2022 retained earnings distributed as stock dividends amounting to \$565,240 and \$24,959, at a par value of NT\$0.34 and NT\$0.015 per share, respectively, had been proposed by the board at the shareholders' meeting held on February 22, 2023 for approval.

The 2021 retained earnings to be distributed as stock dividends and cash dividends amounting to \$827,629 and \$23,717, at par value of NT\$0.52 and NT\$0.015 per share, respectively, had been proposed by the board at the shareholders' meeting held on June 17, 2022 for approval.

The 2020 retained earnings distributed as stock dividends amounting to \$724,726, at a par value of NTD0.48 per share, had been approved during the shareholders' meeting held on July 15, 2021.

The related information on earnings distribution approved at the shareholders' meeting and board meeting is available on the Market Observation Post System Website.

(ac) Earnings per share

The basic earnings per share of the Bank for the years ended December 31, 2022 and 2021, were as follows:

	<u>2022</u>	<u>2021</u>
Basic earnings per share		
Net income attributable to ordinary shareholders of the Bank	<u>\$ 1,645,460</u>	<u>1,039,929</u>
Weighted-average number of ordinary shares outstanding (in thousands)	<u>1,663,918</u>	<u>1,663,918</u>
Basic earnings per share (in New Taiwan dollars)	<u>\$ 0.99</u>	<u>0.62</u>

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	<u>2022</u>	<u>2021</u>
Diluted earnings per share		
Net income for calculating diluted earnings per share	<u><u>\$ 1,645,460</u></u>	<u><u>1,039,929</u></u>
Weighted-average number of thousand ordinary shares outstanding	1,663,918	1,663,918
Influence of potentially dilutives shares		
Conversion of convertible compensation	3,912	2,633
Weighted-average number of ordinary shares outstanding (in thousands)	<u><u>1,667,830</u></u>	<u><u>1,666,551</u></u>
Diluted earnings per share (in New Taiwan dollars)	<u><u>\$ 0.99</u></u>	<u><u>0.62</u></u>
(ad) Net interest income		
	<u>2022</u>	<u>2021</u>
Interest income		
Loans and discounts	\$ 4,775,567	3,702,050
Deposit reserves from Central Bank	35,152	18,748
Due from banks and call loans to banks	23,332	4,157
Investment in securities	670,044	437,889
Others	52,311	43,820
Subtotal	<u>5,556,406</u>	<u>4,206,664</u>
Interest expense		
Deposits from customers	1,712,851	1,074,995
Due to Central Bank and other banks	80,051	23,240
Securities sold under repurchase agreements	83,372	773
Financial debenture	170,578	152,126
Lease liabilities	10,209	10,140
Others	569	1,042
Subtotal	<u>2,057,630</u>	<u>1,262,316</u>
	<u><u>\$ 3,498,776</u></u>	<u><u>2,944,348</u></u>

The interest above did not include interest from financial assets or liabilities at fair value through profit or loss.

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Notes to the Financial Statements

(ae) Service fees, net

	<u>2022</u>	<u>2021</u>
Service fee income		
Insurance agent	\$ 237,920	280,980
Agency	7,920	7,730
Loans	389,432	336,677
Trusts	248,200	253,918
Foreign exchange	45,008	49,081
Interbank	23,117	21,899
Guarantee	91,250	75,614
Others	4,708	3,700
Service fee income total	<u>1,047,555</u>	<u>1,029,599</u>
Service fee expense		
Remittance	4,274	4,565
Custodian	4,820	6,088
Agency	1,974	2,094
Others	9,243	7,945
Trusts	1,256	3,219
Interbank	15,539	16,066
Service fee expense total	<u>37,106</u>	<u>39,977</u>
	<u>\$ 1,010,449</u>	<u>989,622</u>

(af) Gain (loss) on financial assets or liabilities at fair value through profit or loss

	<u>2022</u>	<u>2021</u>
Gain (loss) on disposal		
Government bonds	\$ (4,047)	(10,037)
Convertible Bonds	-	4,093
Beneficiary certificates	4,180	(1,660)
Equity securities	(19,808)	33,715
Derivatives	32,342	20,452
Subtotal	<u>12,667</u>	<u>46,563</u>

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Bank of Panhsin
Notes to the Financial Statements

	<u>2022</u>	<u>2021</u>
Revaluation gains (losses)		
Government bonds	\$ 26	34
Commercial paper	42	109
Beneficiary certificates	(898)	(6,419)
Equity securities	1,221	(6,627)
Derivatives	(7,329)	(15,820)
Subtotal	(6,938)	(28,723)
Dividend income	1,024	1,612
Interest income	9,208	4,852
Total	<u><u>\$ 15,961</u></u>	<u><u>24,304</u></u>
(ag) Realized gain on financial assets at fair value through other comprehensive income		
	<u>2022</u>	<u>2021</u>
Gains on disposal of investments in debt instruments	\$ 7,809	115,623
Dividend income	49,157	31,313
	<u><u>\$ 56,966</u></u>	<u><u>146,936</u></u>
(ah) Provision for impairment loss on assets		
	<u>2022</u>	<u>2021</u>
Loss on investments in debt instruments at fair value through other comprehensive income	\$ (108)	(3,433)
Reversal of (provision for) impairment loss on investments in debt instruments measured at amortized cost	(119)	432
	<u><u>\$ (227)</u></u>	<u><u>(3,001)</u></u>
(ai) Other non-interest income (loss), net		
	<u>2022</u>	<u>2021</u>
Loss on disposal of assets	\$ (1,546)	(1,444)
Investment property depreciation	(29,509)	(27,895)
Others income (loss), net	36,065	32,465
Total	<u><u>\$ 5,010</u></u>	<u><u>3,126</u></u>

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Notes to the Financial Statements

(aj) Bad debt expense and reserve for guarantees

	2022	2021
Provision for allowance for loans and discounts	\$ 56,672	167,072
Provision for guarantee liabilities	4,033	35,688
Provision for (reversal of) loan commitments	(5,987)	5,228
Provision for (reversal of) other provision	(1,329)	4,022
Provision for allowance for receivables	7,273	7,568
Provision for other financial assets	2,509	8,877
Total	<u>\$ 63,171</u>	<u>228,455</u>

(ak) Employee benefits expense

	2022	2021
Salary	\$ 1,410,423	1,446,790
Labor and health insurance	114,410	115,737
Pension	61,912	61,822
Others	57,645	57,147
Total	<u>\$ 1,644,390</u>	<u>1,681,496</u>

(al) Remuneration to employees and directors

In compliance with the Bank's Articles of Incorporation, annual earnings shall first be offset against any deficit, and then 2% will be distributed as employee remuneration and a maximum of 1% will be allocated as directors' remuneration.

For the years ended December 31, 2022 and 2021, the Bank accrued and recognized the remuneration to its employees amounting to \$39,151 and \$25,912, respectively; and directors amounting to \$19,575 and \$12,956, respectively. The remuneration to employee and directors is based on a percentage of net income before income tax for the given time of the Bank excluding remuneration to employees and directors and cumulative losses, then multiplying the separate parameter in compliance with the Bank's articles. The estimated percentage rates of the remuneration to employees and directors are 2% and 1%, respectively. The remuneration to employee and directors should be reported as operating expenses in the current year. If there are any changes after the reporting date in the following year, the changes would be treated as accounting estimates and recognized in profit or loss. For the year ended December 31, 2021, the Bank accrued and recognized the remuneration to its employees and directors amounting to \$25,912 and \$12,956, respectively. A resolution on the remuneration to the Bank's employees and directors in 2021 was approved during the Board meeting held on March 30, 2022, in which there was no difference between the estimated amount and the actual amount distributed. The information is available at the Market Observation Post System website.

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Notes to the Financial Statements

(am) Depreciation and amortization expense

	2022	2021
Buildings	\$ 35,614	37,429
Machinery and equipment	26,691	34,198
Transportation equipment	11,261	11,488
Other equipment	33,387	39,047
Leasehold improvement	15,062	17,406
Right-of-use assets	171,183	166,526
Depreciation subtotal	293,198	306,094
Computer software	46,906	46,255
Core deposit	7,221	7,222
Amortization subtotal	54,127	53,477
Total	\$ 347,325	359,571

(an) Other general and administrative expense

	2022	2021
Rental and facility	\$ 9,951	10,237
Administrative	332,939	299,975
Marketing	19,411	18,882
Value-added tax	343,562	291,722
Other expense	152,760	146,349
Total	\$ 858,623	767,165

(ao) Financial instruments

- (i) Methods and assumptions applied to estimate the fair value of financial instruments are summarized as follows:
- 1) The bank measured fair value of short term financial instruments based on book value due to insignificant duration, it believes that book value provides a reasonable basis. The method adopted for the following subjects: Cash and cash equivalents, Due from Central Bank and call loans to banks, Securities purchased under resell agreements, Receivables, Other financial assets, Due to Central Bank and other banks, Securities sold under repurchase agreements, Payables, and Deposits and remittances.

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Notes to the Financial Statements

- 2) For financial instruments at fair value through profit or loss and financial assets at fair value through other comprehensive income, the quoted market price is regarded as its fair value. If there is no quoted price for the financial asset, its fair value is estimated on the basis of a valuation technique that refers to quoted prices provided by financial institutions. Estimates and assumptions for a valuation technique used by the Bank are consistent with the information adopted by market participants when pricing the financial instruments and such information is available to the Bank.
- 3) Loans and discounts, and deposits are interest-bearing assets or liabilities; therefore, the book value of both financial assets and liabilities is equivalent to their fair value. The net book value of non-performing accounts, after deducting provision for bad debts, is adopted as their fair value.
- 4) Please refer to note 6(m) for further information of valuation of investment property.
- 5) For valuation of financial debentures, the fair value is the present value of future cash flow. The discount rate is based on the interest rate for loans with similar terms (e.g. maturity date).
- 6) For valuation of derivative instruments with no quoted market prices, the fair value is determined on the basis of the discounted cash flow method.
- 7) The Bank estimated the fair value of each forward contract on the basis of exchange rates quoted by Reuters. The fair value of interest rate swap contracts and cross-currency swap contracts is estimated on the basis of market quotations by Reuters.
- 8) The Bank would calculate its Credit Valuation Adjustment (CVA) by assessing the Probability of Default (PD) and Loss Given Default (LGD) of the counterparty before multiplying the Exposure At Default (EAD) of the counterparty. On the contrary, DVA is computed by applying the PD of the Bank and considering the LGD of the Bank before being multiplied by the amount of the EAD of the Bank.

The Bank adopts IFRS 9 or take any observable data into account to evaluate the probability of impairment and loss rate of allowance for doubtful accounts as the estimates of PD and LGD. In addition, mark to market assessment of a derivative instrument from Over the Counter (OTC) is applied as EAD. For those accounts which have significant increase in credit risk, their CVA will be assessed individually by taking into account their changes of exposures, conditions of collaterals and their probabilities of recovery.

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(ii) Information on fair value hierarchy of financial instruments and movement of financial assets measured at fair value classified in Level 3

1) The levels of the fair value hierarchy are described below:

a) Level 1

Fair value measurement for a financial instrument classified in Level 1 is determined as the quoted price for an identical financial instrument in an active market. The definition of active market has all of the following conditions: (1) the products traded in the market are homogeneous, (2) willing parties are available anytime in the market, and (3) price information is available for the public.

b) Level 2

Fair value measurement for a financial instrument classified in Level 2 is determined as the observable price other than the quoted price in an active market, including an observable input obtained in an active market, either directly (i.e., as prices) or indirectly (i.e., derived from prices). The examples of an observable price are as follows:

- i) The quoted price for an identical financial instrument in an active market means the fair value from the market transaction prices for an identical financial instrument. An identical financial instrument should be determined by its characteristics and terms of transaction. The fair value of a financial instrument has to be adjusted according to the observable market price of the identical financial instrument. The reasons for adjustments include time lag of the occurring market transaction prices for an identical financial instrument (the quoted prices do not represent the fair value at the measurement date), the difference in transaction terms for financial instruments, transaction prices involving related parties, and the correlation between the observable transaction prices of identical financial instruments and the market prices of held financial instruments.
- ii) The quoted market price of the same or identical financial instruments in an inactive market.
- iii) The fair value is estimated on the basis of the results of a valuation technique, and the market inputs used (i.e., interest rate, yield curve, and fluctuation rate) are based on obtainable data from the market (an observable input means an input can be derived from market data and can reflect the expectation of market participants when the inputs are used in evaluating the prices of financial instruments).
- iv) A majority of inputs are derived from observable market data, or the input correlation can be tested based on observable market data.

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c) Level 3

Input for a fair value measurement for a financial instrument classified in Level 3 is not based on obtainable data from market but is based on the assumption in making appropriate estimates and adjustments. If it is not possible to develop a valuation model, quoted price from the counterparty is used as fair value. Certain derivative instruments, and debts investment without an active market of the Bank and its subsidiary's investment, belong to such category.

2) Fair value hierarchy of financial instruments

Fair value measurement for a financial instrument	December 31, 2022				
	Book value	Level 1	Level 2	Level 3	Total
<u>Instruments at fair value</u>					
<u>Instruments at fair value on a recurring basis</u>					
<u>Non-Derivative Financial Instruments</u>					
Assets					
Financial assets at fair value through profit or loss					
Financial assets mandatorily at fair value through profit or loss					
Investment in equity securities	\$ 17,733	17,733	-	-	17,733
Investment in commercial paper	1,309,501	1,309,501	-	-	1,309,501
Financial assets at fair value through other comprehensive income					
Investment in equity securities	443,736	162,863	-	280,873	443,736
Investment in bonds	15,930,187	6,463,647	9,466,540	-	15,930,187
<u>Derivative Financial Instruments</u>					
Assets					
Financial assets at fair value through profit or loss	\$ 13,361	-	13,361	-	13,361
Liabilities					
Financial liabilities at fair value through profit or loss	10,942	-	10,942	-	10,942

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Fair value measurement for a financial instrument	December 31, 2021				
	Book value	Level 1	Level 2	Level 3	Total
<u>Instruments at fair value</u>					
<u>Instruments at fair value on a recurring basis</u>					
<u>Non-Derivative Financial Instruments</u>					
Assets					
Financial assets at fair value through profit or loss					
Financial assets mandatorily at fair value through profit or loss					
Investment in equity securities	\$ 20,933	20,933	-	-	20,933
Investment in commercial paper	734,845	734,845	-	-	734,845
Investment in beneficiary certificates	165,312	165,312	-	-	165,312
Financial assets at fair value through other comprehensive income					
Investment in equity securities	552,915	289,410	-	263,505	552,915
Investment in bonds	9,948,874	2,539,606	7,409,268	-	9,948,874
<u>Derivative Financial Instruments</u>					
Assets					
Financial assets at fair value through profit or loss	\$ 18,136	-	18,136	-	18,136
Liabilities					
Financial liabilities at fair value through profit or loss	8,391	-	8,391	-	8,391

3) Movement of financial assets at fair value classified in Level 3

Items	2022								
	Beginning balance	The amount recognized in net income	The amount recognized in other comprehensive income	Increase		Transfer from financial liabilities in Level 3 to financial assets in Level 3	Decrease		Ending balance
				Purchase or issue	Transfer into Level 3		Sale, disposal, or settlement	Transfer out of Level 3	
Financial assets at fair value through other comprehensive income	\$ 263,505	-	17,368	-	-	-	-	-	280,873

Items	2021								
	Beginning balance	The amount recognized in net income	The amount recognized in other comprehensive income	Increase		Transfer from financial liabilities in Level 3 to financial assets in Level 3	Decrease		Ending balance
				Purchase or issue	Transfer into Level 3		Sale, disposal, or settlement	Transfer out of Level 3	
Financial assets at fair value through other comprehensive income	\$ 288,787	-	(29,715)	4,433	-	-	-	-	263,505

- 4) There is no transfer between level 1 and level 2 financial instrument measured at fair value for the years ended December 31, 2022 and 2021.

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5) Quantitative information about the significant unobservable inputs in Level 3

Quantitative information about the significant unobservable inputs are as follows:

December 31, 2022			
Items	Valuation techniques	Significant unobservable inputs	Relation ship between the significant unobservable inputs and fair value
Financial assets at fair value through other comprehensive income-equities investments in inactive market	Market approach-relevant information generated by listed companies	<ul style="list-style-type: none"> • Liquidity discount (19.39%~30.00%) • Multiplier (1.19~1.90) 	<ul style="list-style-type: none"> • The higher the liquidity discount, the lower the fair value. • The higher the multiplier, the higher the fair value.
"	Income approach	<ul style="list-style-type: none"> • Discount rate (10.96%) 	<ul style="list-style-type: none"> • The higher the discount rate, the lower the fair value.
"	Income approach	<ul style="list-style-type: none"> • Perpetual growth rate (1.55%) 	<ul style="list-style-type: none"> • The higher perpetual growth rate, the higher the fair value.

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Items	Valuation techniques	Significant unobservable inputs	Relation ship between the significant unobservable inputs and fair value
Financial assets at fair value through other comprehensive income-equities investments in inactive market	Market approach-relevant information generated by listed companies	<ul style="list-style-type: none"> • Liquidity discount (19.52%~30.00%) • Multiplier (1.04~2.02) 	<ul style="list-style-type: none"> • The higher the liquidity discount, the lower the fair value. • The higher the multiplier, the higher the fair value.
"	Income approach	• Discount rate (10.6%)	• The higher the discount rate, the lower the fair value.
"	Income approach	• Perpetual growth rate (1.48%)	• The higher perpetual growth rate, the higher the fair value.

6) Valuation processes for Level 3 fair value measurements

The Bank's Financial Division (the "Division") is responsible for independently verifying fair value, confirming the reasonableness of price provided by third parties.

7) Sensitivity analysis of Level 3 fair value if reasonably possible alternative assumptions are used

			Change in fair value recognize under other comprehensive income	
	Inputs	Variance	Positive	Negative
December 31, 2022				
Financial assets at fair value through other comprehensive income				
Equities investments in inactive market	Liquidity discount	1%	404	(404)
	Multiplier	1%	322	(322)
	Discount rate	1%	14,467	(11,476)
	Perptual growth rate	0.1%	917	(855)

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			Change in fair value recognize under other comprehensive income	
			Positive	Negative
December 31, 2021	Inputs	Variance		
Financial assets measured at fair value through other comprehensive income				
Equities investments in inactive market	Liquidity discount	1%	333	(333)
	Multiplier	1%	264	(264)
	Discount rate	1%	15,383	(12,086)
	Perptual growth rate	0.1%	977	(916)

(iii) For the years ended December 31, 2022 and 2021, gain (loss) recognized by the Bank from the fair value evaluation of financial instruments by using valuation techniques amounted to \$25,013 and \$4,632, respectively.

(iv) Offsetting financial assets and financial liabilities

IAS 32 section 42 on "Offsetting financial instruments transaction" is not applicable to the Bank, and the transactions related to financial assets and financial liabilities are not expressed as net value on the balance sheet.

The Bank has no exercisable master netting arrangements or similar agreements (such as repurchase agreement, reverse repurchase and derivatives transaction).

(v) Financial risk management

The Bank uses risk management with effective risk diversification to meet its business operating targets, to increase its value, and to ensure benefit to its shareholders. The risk management is based on the needs of customers, business development, overall risk tolerance, and regulatory requirements.

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To address the interest rate benchmark reform, the Bank has established a LIBOR interest rate benchmark transition team in September 2020. The transition team quarterly reports the international development trend and transition execution progress to the board of directors. After the Bank has assessed its financial and business exposure, only the LIBOR linked foreign currency loans will be affected by the interest rate benchmark reform. In order to control the risk of interest rate benchmark reform, the Bank has implemented the interest rate benchmark reform plan (including the modification of contracts, customer communications, revisions of the internal control policies, changes in system and procedure, and products conversion) which will be completed before the replacement of LIBOR. The Bank has announced the corresponding measures of LIBOR discontinuation and customer equity notification on its official website in October 2021. In addition, the Bank has adopted the TAIFEX3 and interbank offered rates from REUTERS as a benchmark rate for the base rate of its new foreign currency loans for USD and other currencies. The conversion for all related loan system and foreign exchange system have been completed as of the reporting date. The Bank will adopt TERM SOFR as a base rate of USD loans in the future. The Bank will increase the system functions, if required and keep optimizing the system.

The major risks that the Bank might possibly face are credit risk, market risk, and liquidity risk of items on and off the statements of financial position.

The Bank has established and documented various risk management policies and procedures which have been approved by the board of directors. The board of directors of the Bank has ultimate responsibility for risk management and is responsible for the establishment and effectiveness of operation of risk management. There are a business development committee, credit committee, asset and liability management committee, risk management committee, trust property management committee, human recruitment committee, employee training committee, and information development committee to take charge of business development, business operation, risk controls, etc. The risk management committee is responsible for the principles, policies and targets of the Bank's overall risk control and is also responsible for coordination among committees. Internal control is in charge of the independent check of the risk controls.

1) Credit risk

a) Description of credit risk

Credit risk refers to the risk of financial loss of the Bank and its subsidiaries resulting from a borrower failing to meet its contractual obligations due to credit deterioration or other factors (such as an argument between the borrower and a counter-party).

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b) Credit risk management policy

The Bank's target is to develop a sound system of credit risk management mechanisms by using effective identification, measurement, communication and reporting, monitoring and management of the various credit risks to control possible credit risk at a tolerable level, to maintain adequate capital, to increase the return on assets after adjustments, to connect the risk level and business strategies, and to achieve the business and operation goals by gradually making transparent, systematizing, and professional the credit risk management.

c) Credit risk management scope

The Bank is engaged in activities on and off the statement of financial position, which would cause (occurred or not yet occurred) credit risk. The activities are the overall credit business, overdue loan business, and use of credit risk mitigation tools (such as the provision of collateral guarantees and hedging) as well as other operations related to the product or parts of the credit risk associated with the activities aforementioned included in the scope of credit risk management mechanisms.

d) Credit risk management procedures

The credit risk management procedures include risk identification, measurement, communication, monitoring, and reporting. To maintain the standard of credit business at a safe and moderate level, to monitor the credit risk, to evaluate new business opportunities, and to identify and manage problems in credit cases, the business department must follow all the procedures of the Bank when conducting business. To ensure credit risk at a tolerable level, each credit case must be authorized by decentralized procedures which include a serious review process to improve the quality of assets, reassessment and an early alarm system after authorizing loans to fully grasp the operating and financial information of the client and the status of the economy, and continuous evaluation and monitoring of changes in credibility to early discover any information which has not been announced publicly and to detect any indication of default risk. Thus, the Bank could control the quality of assets at a tolerable level, balance the risks and profitability, and also improve the business performance and benefit the investors.

e) Determining the credit risk has increased significantly since the initial recognition

- i) At each reporting date, the Bank shall determine whether the credit risk of financial assets has increased significantly since initial recognition and measures loss allowances at an amount equal to lifetime expected credit loss (ECL)

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If one or more of the following conditions are satisfied, the credit risk of financial asset is determined as increased significantly:

1. In accordance with the internal rules of the Bank, wherein the status of the debtor is "Alerts" but no tracking is required.
 2. The status of the debtor is "Normal" and overdue is more than 30 days.
 3. The debtor has reached its overdue and made the repayment 7 days thereafter, through negotiation with the Bank.
 4. TCRI rating of the debtor has dropped two degree (or more), or dropped one degree but with "C" or "D".
- ii) Low credit risk: If the credit risk of a financial instrument is assessed as low, the Bank may consider it as insignificant since initial recognition.
- f) Definition of financial assets being credit impaired

If one or more of the following conditions are satisfied, the financial asset is determined to be credit impaired:

- i) Status of the debtor is "Overdue" or "Recoverable".
 - ii) The debtor has reached its overdue and made the repayment over 7 days, through negotiation with the Bank.
 - iii) Other special or abnormal condition which is assessed to be listed.
- g) Write-off policies
- The Bank writes-off uncollectable receivables after reporting to the Board. Adjustments for provision were made after recovery of the write-offs.
- h) Measurement of expected credit loss (ECL)

- i) Adopted methods and assumptions

For financial assets with low credit risk and no significant increase in credit risk since the initial recognition, the 12-month expected credit loss amount is used to measure the allowance loss. For various financial assets that have been significantly increased in credit risk or credit impaired since the initial recognition, the lifetime expected credit loss amount is used to measure the allowance loss.

To measure the expected credit loss, the Bank considers the borrower's probability of default (PD) for the next 12 months and its lifetime, and then include the loss given default (LGD) multiplied by the exposure at default (EAD), and considers the impact of the time value of money to calculate the expected credit losses for 12 months and lifetime, respectively.

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PD is the default probability of the borrower, and LGD is the rate of loss caused by default by the borrower. PD and LGD used in the impairment assessment for various loans businesses of the Bank are calculated after adjusting historical data based on internal historical information (such as credit loss experience) of each combination, and based on the current observable information and forward-looking general economic information.

ii) Consideration of forward-looking information

When the Bank measure ECL in various types of financial assets, it takes into consideration the forward-looking information, performs the forward-looking model estimations based on the nature of loan products, and establishes credit risk link models based on past default rates and overall economic information. The model estimates the relationship between the default rate and the overall economic information, and establishes a model to predict the forecast value of the overall economic information to predict the default rate in the following year. Then, the forward-looking adjustments are applied to the ECL. In principle, the validity of the abovementioned forward-looking model is examined annually.

i) Credit risk hedging policy

i) Strengthening security

Besides strengthening the reviews process, setting risk limits, adjusting credit amounts and conditions, and monitoring loans, the Bank is also increasing the pledged amount and the quality of guarantee to reduce credit risk. Also, the Bank has established standards and measurement, management, and disposal procedures for pledged assets.

ii) Managing credit concentration risk limits and risk management

To avoid the risk of business concentration, the Bank sets limits to its main business by country, by industry, by group, and by individual client each year. The limits are reviewed and updated yearly according to the overall economic environment and industrial development prospects. Transactions are kept within prescribed limits to control the risk of business concentration. In addition, for credit for individual companies and groups, the Bank also sets limits for industries, individuals, related parties, and related companies of the same group. Monthly reporting of changes in circumstances and the credit limits is required to implement the principle of spreading risk to ensure stable operation.

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j) Maximum exposure to credit risk

Without taking any collateral or other credit enhancement mitigation effect into account, the maximum exposure to credit risk of on-balance sheet financial assets is equal to their carrying values and the maximum exposure to credit risk of off-balance sheet financial instruments were as follows:

	December 31, 2022	December 31, 2021
Unused amounts of irrevocable loan commitments	\$ 6,913,165	5,958,307
Unused amount of irrevocable letter of credit	2,923,773	3,339,057
Various guarantee proceeds	7,940,385	8,344,073
Total	\$ 17,777,323	17,641,437

Information on the maximum exposure and impact on financial statements related to on balance sheet and off-balance sheet items held as collateral, master netting arrangement, and other credit enhancements were as follows:

December 31, 2022	Collateral	Master netting arrangement	Other credit enhancement	Total
<u>Items on statement of financial positions</u>				
Loans and discounts	\$ 147,345,810	-	48,205,895	195,551,705
Acceptance receivables	4,411	-	1,661,149	1,665,560
<u>Items off statement of financial positions</u>				
Various guarantee proceeds	1,494,912	-	6,445,473	7,940,385
Total	\$ 148,845,133	-	56,312,517	205,157,650

December 31, 2021	Collateral	Master netting arrangement	Other credit enhancement	Total
<u>Items on statement of financial positions</u>				
Loans and discounts	\$ 130,434,939	-	59,361,991	189,796,930
Acceptance receivables	69,120	-	174,656	243,776
<u>Items off statement of financial positions</u>				
Various guarantee proceeds	1,238,968	-	7,105,105	8,344,073
Total	\$ 131,743,027	-	66,641,752	198,384,779

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Bank of Panhsin
Notes to the Financial Statements

k) The Bank's credit risk concentration

The Bank attaches importance to the principles of credit risk diversification. For extension of credit and investment as a whole, the Bank has no concentration of credit risk on a single customer or counterparty. The Bank's credit exposure arises mainly from business loans based in Taiwan. Thus, there is no breakdown of credit risk by area. Concentration of credit risk by industry and collateral was as follows:

By industry

By industry	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
Manufacturing	\$ 26,870,062	13.74	24,850,134	13.09
General businesses	71,720,573	36.68	77,276,740	40.72
Constructions	7,009,610	3.58	6,474,135	3.41
Individuals	71,776,691	36.71	64,986,439	34.24
Others	18,174,769	9.29	16,209,482	8.54
	\$ 195,551,705	100.00	189,796,930	100.00

By collateral

By collateral	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
Non-secured	\$ 48,205,895	24.65	59,361,991	31.28
Secured	147,345,810	75.35	130,434,939	68.72
Financial collateral	6,248,079	3.19	5,336,658	2.81
Real estate	125,892,944	64.38	112,167,377	59.10
Guarantee	9,518,018	4.87	10,348,138	5.45
Others	5,686,769	2.91	2,582,766	1.36
	\$ 195,551,705	100.00	189,796,930	100.00

l) Credit quality and impairment analysis of overdue credit

Due to the high credibility of counterparties, the Bank has assessed the credit risk of the financial assets owned, for example, cash and cash equivalents, due from Central Bank and call loans to banks, financial assets at fair value through profit or loss, securities purchased under resell agreements, refundable deposits, operating deposits and settlement funds, to be low.

Though the financial assets may be overdue when the borrower has temporarily delayed its payment, no impairment has occurred. According to the Bank's policy, no impairment has occurred if the financial assets were less than 90 days overdue, unless, other objective evidence appears.

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Additional credit quality analysis of financial assets was as follows:

i) Credit quality analysis for loans and discounts, and receivables

Name	December 31, 2022										
	12 months				Lifetime (not impaired)				Lifetime (impaired)	Allowance for impairment loss	Total
	Low risk	Medium risk	High risk	Subtotal	Low risk	Medium risk	High risk	Subtotal			
Items on statement of financial position											
Receivables											
Acceptance	\$ 1,665,560	-	-	1,665,560	-	-	-	-	-	17,687	1,647,873
Loan interest	314,213	1,092	98	315,403	17,481	98	268	17,847	2,116	8,409	326,957
Others	544,604	3	2	544,609	124	2	10	136	6,853	8,628	542,970
Loans and discounts	190,892,781	278,385	34,152	191,205,318	2,868,243	15,881	36,626	2,920,750	1,425,637	2,383,479	193,168,226
Non-performing loans	-	-	-	-	-	-	-	-	43,822	34,920	8,902
	\$ 193,417,158	279,480	34,252	193,730,890	2,885,848	15,981	36,904	2,938,733	1,478,428	2,453,123	195,694,928
Items off statement of financial position											
Guarantees	\$ 7,254,768	-	-	7,254,768	-	-	-	-	685,616	92,064	7,848,320
Letter of Credit	2,923,773	-	-	2,923,773	-	-	-	-	-	9,538	2,914,235
Loan Commitments	6,913,165	-	-	6,913,165	-	-	-	-	-	21,933	6,891,232

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Name	December 31, 2021										
	12 months				Lifetime (not impaired)				Lifetime (impaired)	Allowance for impairment loss	Total
	Low risk	Medium risk	High risk	Subtotal	Low risk	Medium risk	High risk	Subtotal			
Items on statement of financial position											
Receivables											
Acceptance	\$ 243,776	-	-	243,776	-	-	-	-	-	14,209	229,567
Loan interest	206,350	63	105	206,518	15,691	153	280	16,124	1,013	7,915	215,740
Others	359,454	2	5	359,461	257	5	6	268	4,056	6,042	357,743
Loans and discounts	184,929,931	36,807	43,306	185,010,044	2,962,355	34,562	46,920	3,043,837	1,743,049	2,294,037	187,502,893
Non-performing loans	-	-	-	-	-	-	-	-	43,840	32,411	11,429
	\$ 185,739,511	36,872	43,416	185,819,799	2,978,303	34,720	47,206	3,060,229	1,791,958	2,354,614	188,317,372
Items off statement of financial position											
Guarantees	\$ 7,987,033	-	-	7,987,033	357,040	-	-	357,040	-	88,031	8,256,042
Letter of Credit	3,324,260	-	-	3,324,260	14,797	-	-	14,797	-	10,867	3,328,190
Loan Commitments	5,958,307	-	-	5,958,307	-	-	-	-	-	27,920	5,930,387

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ii) Credit quality analysis for marketable securities

Name	December 31, 2022										
	12 months				Lifetime (not impaired)						
	Investment grade	Non-investment grade	No credit ratings	Subtotal	Investment grade	Non-investment grade	No credit ratings	Subtotal	Lifetime (impaired)	Accumulated impairment loss	Total
Financial assets at fair value through other comprehensive income											
Debt instrument investment	\$ 15,930,187	-	-	15,930,187	-	-	-	-	-	7,335	15,922,852
Debt instrument investment at amortized cost											
Debt instrument investment	52,110,447	-	-	52,110,447	-	-	-	-	-	1,426	52,109,021

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Name	December 31, 2021										
	12 months				Lifetime (not impaired)						
	Investment grade	Non-investment grade	No credit ratings	Subtotal	Investment grade	Non-investment grade	No credit ratings	Subtotal	Lifetime (impaired)	Accumulated impairment loss	Total
Financial assets at fair value through other comprehensive income											
Debt instrument investment	\$ 9,948,874	-	-	9,948,874	-	-	-	-	-	7,227	9,941,647
Debt instrument investment at amortized cost											
Debt instrument investment	48,976,799	-	-	48,976,799	-	-	-	-	-	1,307	48,975,492

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Notes to the Financial Statements

2) Market risk, liquidity risk, and interest rate risk

a) Risk management framework

Market risk, liquidity risk, interest rate risk, and other risks related to daily operations are managed by the Bank.

i) Market risk

This is the risk that market prices of assets go against the position of the Bank. Market prices refer to interest rates, stock prices, foreign exchange rates, and commodity prices.

ii) Liquidity risk

This is the risk that a given security or asset has difficulty in being sold in the market to fulfill financial obligations. This may cause a loss or a capital decrease for the Bank.

iii) Interest risk

This is the risk that an investment's value changes due to a change in interest rates. A change in interest rates can affect net interest income and income from other interest-sensitive assets, and inversely affect the Bank's earnings. Simultaneously, it can also affect the valuation gain or loss on and off the statement of financial position the statement of financial position.

b) Risk management process

The Bank's risk management process includes risk identification, measurement, assessment, and reporting. The risks relate to the Bank's trading activities and process, commodity trading, and system. All such risks are managed on a daily basis.

i) Risk identification

1. Market risk

The Bank's sales department and risk management department must understand the sources of market risk, market risk factors, and the aftermath of a market downturn. In addition to understanding the risks mentioned above, the Bank also must know the impacts on the business.

2. Liquidity risk

The Bank's sales department and risk management department must understand that liquidity risk comes from mismatch between assets and liabilities either on or off the statement of financial position.

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3. Interest rate risk

The Bank's sales department and risk management department must understand that interest rate risk comes from changes in interest rates due to pricing risk, yield curve risk, and basis risk that will have an impact on the Bank's earnings.

ii) Risk assessment and measurement

1. Market risk

The Bank measures market risk, including the level of risk acceptance and the level of concentration. In addition, it follows the capital adequacy rules under the Basel Accords and risk indicators issued by the authority. The Bank does not evaluate the risk with a model due to the simplicity of its business. The Bank evaluates its investment position by the following methods: (1) market prices, (2) prices of other similar assets, or (3) other adequate evaluation methods, which have to be used consistently.

2. Liquidity risk

The Bank assesses for measures liquidity risk by using all liquidity risk indicators, balance sheet mismatch, source of funds, use of funds, line of credit level, and plans for funding in the market.

3. Interest rate risk

The Bank's interest rate risk includes reprising risk, yield curve risk, and basis risk. Methods to assess and measure risk are analyzing (1) the interest sensitivity gap; (2) the capital adequacy ratio; (3) interest rate caps and floors; and (4) the structure of the position concentration ratio.

iii) Risk monitoring and control

The Bank has used several techniques such as credit limitation management, a stop-loss system, transaction quotas, the capital liquidity gap, and the interest sensitivity gap in order to monitor market risk, liquidity risk, and interest rate risk, and has a clear reporting process. Things monitored are the trading unit, financial instruments traded in whole or in part, the liquid reserve ratio, the core deposit ratio, net stable funding ratio, and the ratio of the Bank's interest-rate-sensitive assets to its interest-rate-sensitive liabilities (gap ratio).

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Notes to the Financial Statements

iv) Risk reporting

The Bank has required departments involved in defined market risk, liquidity risk, and interest rate risk in the banking book to submit immediate, daily, or periodic transaction information to the business units. In cases where an overrun or an exception occurs, immediate notification is necessary. The risk management unit is responsible for providing information regarding risk position, the profit and loss situation, usage limits, etc., to the Board, Risk Management Committee, and Asset and Liability Management Committee and for providing other appropriate reports and recommendations of the Committees.

c) Maturity analysis of financial assets and financial liabilities

The management policy of the Bank is to match to the contractual maturity profile with the interest rate risk exposures of assets and liabilities and to manage unexpected cash outflow. Because of uncertainty, the maturities did not fully match the interest rates, resulting in gaps that may potentially give rise to gain or loss. The maturity analysis of assets and liabilities was as follows:

December 31, 2022								
Items	0~10 Days	11~30 Days	31~90 Days	91~180 Days	181 Days~ 1 Year	Over 1 Year	Total	
Assets								
Cash and Deposits with other banks	\$ 8,458,353	469,630	1,034,136	1,129,011	2,226,396	2,881,033	16,198,559	
Securities Investments	6,757,473	8,769,761	210,016	5,665,000	10,810,000	19,554,978	51,767,228	
Securities purchased under resell agreements	4,339,852	399,399	-	-	-	-	4,739,251	
Loans (including NPL)	6,329,047	4,522,518	18,181,040	20,430,129	32,713,940	93,554,121	175,730,795	
Interest Receivables	71,095	145,439	15,497	31,319	61,432	35,245	360,027	
Others	593,915	58,752	52,152	4,955	-	3,623,328	4,333,102	
Liabilities								
Deposits from Central Bank and banks (including deposits transferred from the Post Office)	33,932	-	50,000	200,000	27,520	-	311,452	
Demand deposits	869,985	1,739,970	5,219,909	7,829,864	15,659,727	80,217,064	111,536,519	
Time deposits	4,012,143	12,056,749	25,187,452	25,352,398	49,799,473	4,487,484	120,895,699	
Interest payables	88,633	20,859	37,431	40,125	65,800	3,195	256,043	
Lease liabilities	-	15,513	29,414	42,632	74,650	289,160	451,369	
Others	993,090	376,520	140,557	272,373	77,009	498,375	2,357,924	

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December 31, 2021							
Items	0~10 Days	11~30 Days	31~90 Days	91~180 Days	181 Days~ 1 Year	Over 1 Year	Total
Assets							
Cash and Deposits with other banks	\$ 6,896,176	447,365	937,000	1,009,564	1,921,906	2,560,193	13,772,204
Securities Investments	3,669,339	20,504,879	-	1,095,000	2,200,280	21,798,325	49,267,823
Securities purchased under resell agreements	1,228,136	4,228,501	-	-	-	-	5,456,637
Loans (including NPL)	6,635,627	4,293,261	13,241,217	19,446,248	39,681,892	88,131,694	171,429,939
Interest Receivables	55,720	119,364	13,583	5,685	8,127	12,040	214,519
Others	1,003,982	99,457	27,872	11,721	-	3,257,159	4,400,191
Liabilities							
Deposits from Central Bank and banks (including deposits transferred from the Post Office)	77,173	280	250,180	200,000	27,520	-	555,153
Demand deposits	887,915	1,775,829	5,327,488	7,991,233	15,982,465	76,759,322	108,724,252
Time deposits	4,494,777	12,450,495	24,457,020	24,095,214	45,086,070	4,570,625	115,154,201
Borrowing	-	-	-	-	706,360	5,971,000	6,677,360
Interest payables	54,053	9,211	32,104	31,833	54,996	4,003	186,200
Lease liabilities	-	15,478	27,332	33,517	60,879	258,794	396,000
Others	1,765,911	147,162	367,007	114,215	50,806	453,173	2,898,274

d) **Maturity analysis of items off the statement of financial position**

The table below shows the maturity analysis of the items off the statement of financial position based on the remaining time until the contractual maturity date. For issued financial guarantee contracts, the maximum guaranteed amount included in the guarantee may be required to be paid at the very beginning of the contract period. The amount disclosed is based on contractual cash flows and may be different from that included in the consolidated statement of financial position.

	December 31, 2022		
	Less than 1 year	Over 1 year	Total
Unused amount of irrevocable loan commitment	\$ 1,311,384	5,601,781	6,913,165
Unused amount of irrevocable letter of credit	2,914,003	9,770	2,923,773
Various guarantee proceeds	1,595,483	6,344,902	7,940,385

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	December 31, 2021		
	Less than 1 year	Over 1 year	Total
Unused amount of irrevocable loan commitment	\$ 157,750	5,800,557	5,958,307
Unused amount of irrevocable letter of credit	3,284,768	54,289	3,339,057
Various guarantee proceeds	1,804,146	6,539,927	8,344,073

e) **Maturity analysis of lease agreements and capital expenditure**

The lease contracts of the Bank are operating leases. The operating lease commitment is the future minimum rental payment under operating leases when the Bank is a lessee or lessor.

The capital expenditure commitment of the Bank is the contractual commitment for obtaining buildings and equipment.

Maturity analysis of lease agreements and capital expenditure is as follows:

December 31, 2022	Less than 1 year	1-5 years	Over 5 years	Total
Lease commitments				
Operating lease income (lessor)	\$ 94,763	205,898	-	300,661

December 31, 2021	Less than 1 year	1-5 years	Over 5 years	Total
Lease commitments				
Operating lease income (lessor)	\$ 114,656	225,033	-	339,689

f) **Market risk sensitivity analysis**

The Bank uses market risk sensitivity as a tool to manage risks. Market risk sensitivity is the change in the value of positions due to the change in specific market risk factors by one unit.

Interest rate sensitivity is the change in the price value of a basis point (PVBp) of future cash flow of the Bank's interest rate product position as the yield curve shifts up by 1.0% on the statement of financial position date.

In addition, the Bank does not have a significant net foreign currency position. Therefore, exchange rate fluctuation will not cause any significant exchange rate risk to the Bank.

(Continued)

Bank of Panhsin
Notes to the Financial Statements

Sensitivity analysis is as follows:

Main risk	Name	December 31, 2022		
		Cost/ par value	Amount	
			Equity	Gain or loss
Interest rate risk	Government bonds, corporate bonds, and financial debentures	32,208,128	(802,150)	(616,295)

Main risk	Name	December 31, 2021		
		Cost/ par value	Amount	
			Equity	Gain or loss
Interest rate risk	Government bonds, corporate bonds, and financial debentures	21,367,275	(539,410)	(608,982)

g) Exchange rate risk

		December 31, 2022		
		Foreign currency (thousand dollars)	Exchange rate (dollars)	New Taiwan dollars (thousand dollars)
Financial assets				
Monetary item				
USD	\$	514,425	30.7080	15,796,963
EUR		15,796	32.7102	516,690
JPY		3,925,807	0.2323	911,965
HKD		163,740	3.9383	644,857
GBP		4,000	37.0523	148,209
CAD		57	22.6577	1,291
SGD		2,407	22.8635	55,032
CNY		340,702	4.4073	1,501,576

(Continued)

Bank of Panhsin
Notes to the Financial Statements

		December 31, 2022		
		Foreign currency (thousand dollars)	Exchange rate (dollars)	New Taiwan dollars (thousand dollars)
Financial liabilities				
Monetary item				
USD	\$	1,117,450	30.7080	34,314,655
EUR		7,789	32.7102	254,780
JPY		3,752,743	0.2323	871,762
HKD		18,569	3.9383	73,130
AUD		27,672	20.8231	576,217
GBP		1,087	37.0523	40,276
CAD		3,554	22.6577	80,525
CHF		3	33.2122	100
NZD		2,322	19.4290	45,114
SGD		116	22.8635	2,652
ZAR		210,632	1.8116	381,581
CNY		707,624	4.4073	3,118,711
Financial assets				
Monetary item				
USD	\$	557,442	27.6900	15,435,569
EUR		12,262	31.3312	384,183
JPY		3,185,717	0.2405	766,165
HKD		40,000	3.5507	142,028
GBP		5,000	37.3095	186,548
SGD		3,023	20.4656	61,868
CNY		283,361	4.3470	1,231,770

(Continued)

Bank of Panhsin
Notes to the Financial Statements

		December 31, 2021		
		Foreign currency (thousand dollars)	Exchange rate (dollars)	New Taiwan dollars (thousand dollars)
Financial liabilities				
Monetary item				
USD	\$	1,005,148	27.6900	27,832,548
EUR		4,636	31.3312	145,251
JPY		2,363,644	0.2405	568,456
HKD		25,932	3.5507	92,077
AUD		34,643	20.1002	696,331
GBP		1,123	37.3095	41,899
CAD		4,089	21.6311	88,450
CHF		4	30.1930	121
NZD		2,643	18.8929	49,934
SGD		94	20.4656	1,924
ZAR		239,990	1.7351	416,407
CNY		234,845	4.3470	1,020,871

h) **Capital management**

i) **Capital management objectives**

The capital management objective of the Bank is to have sufficient eligible capital to meet the capital requirements and the minimum legal capital adequacy ratio. The eligible capital and the authorized capital are calculated pursuant to the regulations set by the regulators.

To enable the Bank to have adequate capital to cover various risks, the required capital should be calculated based on the portfolio risk and the risk characteristics that the Bank faces. Optimal allocation of resources can be achieved by regularly reviewing the objectives of capital management.

ii) **Capital management procedures**

The Bank maintains adequate capital to meet the requirements of the authority and reports to the authority on a quarterly basis.

(Continued)

Bank of Panhsin
Notes to the Financial Statements

The Bank's regulatory capital is divided into Tier 1 Capital and Tier 2 Capital following the "Regulations Governing the Capital Adequacy and Capital Category of Banks".

1. Net Tier 1 Capital: The aggregate amount of net Common Equity Tier 1 and net additional Tier 1 Capital.
 - Net common equity Tier 1 Capital: Primarily consists of the aggregate amount of Common stock and its additional paid in capital, Capital collected in advance, Capital surplus, Legal reserve, Special reserve, accumulated profit or loss, Non-controlling interests, and Other equity interest items, minus intangible assets, deferred income tax assets due to losses from the previous year, the insufficiency of operational reserves and loan loss provisions, the revaluation surplus of real estate, and statutory adjustment items calculated in accordance with “the Methods for Calculating Bank’ s Regulatory Capital and Risk Weighted Assets” .
 - Net additional Tier 1 Capital: Consists of the aggregate amount of noncumulative perpetual preferred stock and its additional paid in capital, noncumulative perpetual subordinated debts, additional Tier 1 Capital issued by the Bank’ s subsidiaries and not directly or indirectly held by the Bank, minus statutory adjustment items calculated in accordance with “ the Methods for Calculating Bank’ s Regulatory Capital and Risk Weighted Assets” .
2. Net Tier 2 Capital: Consists of the aggregate amount of cumulative perpetual preferred stock and its additional paid in capital, cumulative perpetual subordinated debts, convertible subordinated debts, long-term subordinated debts, non-perpetual preferred stock and its additional paid in capital, the increase in retained earnings when fair value or re-estimated value is adopted as deemed cost for the first-time adoption of IFRSs on premises, 45% of unrealized gains on changes in the fair value of investment properties using fair value method, as well as the 45% of unrealized gains on financial assets measured at fair value through other comprehensive income, operational reserves and loan-loss provisions, and Tier 2 Capital issued by the Bank’ s subsidiaries and not directly or indirectly held by the Bank, minus statutory adjustment items calculated in accordance with “ the Methods for Calculating Bank’ s Regulatory Capital and Risk Weighted Assets” .

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Bank of Panhsin
Notes to the Financial Statements

The capital adequacy ratios of the Bank and its subsidiaries are disclosed below:

Analysis item			Period-end December 31, 2022	December 31, 2021
Eligible capital	Common equity		16,659,639	15,376,994
	capital	Additional Tier I capital	1,909,000	1,652,822
		Tier II capital	5,150,925	4,860,729
		Eligible capital	23,719,564	21,890,545
Risk-weighted assets	Credit risk	Standardized approach	188,978,923	172,708,997
		Internal rating-based approach	-	-
		Securitization	-	-
	Operational risk	Basic indicator standardized approach	7,871,388	7,218,638
		Standardized approach / alternative approach	-	-
		Advanced measurement approach	-	-
	Market risk	Standardized approach	139,250	455,350
		Internal model approach	-	-
	Total risk-weighted assets		196,989,561	180,382,985
Capital adequacy ratio			12.04%	12.14%
Tier I capitalratio			9.43%	9.44%
Common equity Tier I ratio			8.46%	8.52%
Leverage ratio			5.79%	5.65%

Note: 1. The calculation of eligible capital, risk-weighted assets, and the total amount of risk exposure shall follow the "Regulations Governing the Capital Adequacy and Capital Category of Banks" and "Explanation of Methods for Calculating the Eligible Capital and Risk-Weighted Assets of Banks".

2. The table uses the calculation formulas as follows:

- (1) Eligible capital = common equity + additional Tier I capital + Tier II capital
- (2) Risk-weighted assets = credit risk-weighted assets + (capital requirement for operational risk + capital requirement for market risk) × 12.5
- (3) Capital adequacy ratio = eligible capital / risk-weighted assets
- (4) Common equity Tier I ratio = common equity / total risk-weighted assets
- (5) Tier I capital ratio = (common equity + other Tier I capital) / risk-weighted assets
- (6) Leverage ratio = Tier I capital / total exposure

(Continued)

Bank of Panhsin
Notes to the Financial Statements

(7) Related-party transactions

(a) Name and relationship of related parties

Related parties	Relationship
Panhsin Asset Management Co., Ltd.	Subsidiary
Panhsin International Leasing Co., Ltd.	Subsidiary
Xin Hui Construction Co., Ltd.	Related Party in substance
Cheng Hui Construction Co., Ltd.	Related Party in substance
Da Wang Construction Co., Ltd.	Related Party in substance
Shan Hui Construction Co., Ltd.	Related Party in substance
Other related parties	The board of directors, general manager, vice general manager, and managers of the Bank, and according to IAS 24- Related Party Disclosures, related parties should include: 1. The spouse or a relative within the second degree or closer of the Bank' s management. 2. A company' s directors, supervisors, and general manager is the same person from the Bank' s management and above relatives.

(b) Significant transactions with related parties

(i) Deposits

2022			
Name	Ending balance	Percentage of deposits	Interest rate (%)
Deposits by each related party not over 1% of total deposits	<u><u>\$ 1,383,122</u></u>	<u><u>0.51</u></u>	0.00~8.45
2021			
Name	Ending balance	Percentage of deposits	Interest rate (%)
Deposits by each related party not over 1% of total deposits	<u><u>\$ 1,846,020</u></u>	<u><u>0.72</u></u>	0.01~7.82

For the years ended December 31, 2022 and 2021, apart from an interest rate limit on staff demand savings deposits of 8.45% and 7.82%, respectively, the interest rates and other terms provided to the above related parties were the same as the terms offered to the general public.

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Bank of Panhsin
Notes to the Financial Statements

For the years ended December 31, 2022 and 2021 interest expense paid on the above deposits was \$10,186 and \$5,465, respectively.

(ii) Loans

2022							
Type of loan	Number of accounts or name of related party	Maximum during the period	Ending balance	Repayment		Collateral	Difference between terms and conditions offered to the accounts and to the general public
				On time	Overdue		
Employee credit loan	26	\$ 86,913	34,160	34,160	-	Real estate	None
Mortgage	13	78,772	70,189	70,189	-	Real estate	None
Others	28	697,411	327,563	327,563	-	Real estate	None

2021							
Type of loan	Number of accounts or name of related party	Maximum during the period	Ending balance	Repayment		Collateral	Difference between terms and conditions offered to the accounts and to the general public
				On time	Overdue		
Employee credit loan	31	\$ 94,309	45,867	45,867	-	Real estate	None
Mortgage	13	72,201	65,628	65,628	-	Real estate	None
Others	28	869,566	435,156	435,156	-	Real estate	None

For the years ended December 31, 2022 and 2021, interest income recognized for the above loans was \$8,133 and \$8,043, respectively.

(iii) Leases

1) As a lesser

Name	Rental income	
	2022	2021
Panshin Asset Management Co., Ltd.	\$ 2,400	3,450

2) As a lessee

Name	Right-of-use assets	
	December 31, 2022	December 31, 2021
Xin Hui Construction Co., Ltd.	\$ 897	3,049
Cheng Hui Construction Co., Ltd.	897	3,049
Da Wang Construction Co., Ltd.	5,620	8,431
Shan Hui Construction Co., Ltd.	15,797	21,912
Total	\$ 23,211	36,441

(Continued)

Bank of Panhsin
Notes to the Financial Statements

Name	Lease liabilities	
	December 31, 2022	December 31, 2021
Xin Hui Construction Co., Ltd.	\$ 945	3,168
Cheng Hui Construction Co., Ltd.	945	3,168
Da Wang Construction Co., Ltd.	5,835	8,637
Shan Hui Construction Co., Ltd.	16,225	22,239
Total	<u>\$ 23,950</u>	<u>37,212</u>

Name	Rental expense	
	2022	2021
Xin Hui Construction Co., Ltd.	\$ 2,283	2,283
Cheng Hui Construction Co., Ltd.	2,283	2,283
Da Wang Construction Co., Ltd.	3,000	3,043
Shan Hui Construction Co., Ltd.	6,485	6,485
Total	<u>\$ 14,051</u>	<u>14,094</u>

The leasing contracts between the Bank and the related parties are priced at the market rate, with payment terms based on normal conditions.

(iv) Other

- 1) For the years ended December 31, 2022 and 2021, the details of the Bank's selling a series of subordinated financial debentures to related parties were as follows:

Related party	December 31, 2022		2022
	Ending balance	Interest rate (%)	Interest expense
Other related parties	<u>\$ 50,000</u>	4.75	<u>2,375</u>

Related party	December 31, 2021		2021
	Ending balance	Interest rate (%)	Interest expense
Other related parties	<u>\$ 50,000</u>	4.75	<u>2,375</u>

- 2) Operating income (loss) between related people:

Name	2022	2021
Other revenue		
Panshin Asset Management Co., Ltd.	<u>\$ 19</u>	<u>19</u>

(Continued)

Bank of Panhsin
Notes to the Financial Statements

(c) Primary management

	2022	2021
Short-term employee benefits	\$ 50,947	54,000
Post-employment benefits	\$ 610	717

(8) Pledged assets:

Pledged assets of the Bank and its subsidiaries were as follows:

Pledged Assets	Pledged for	December 31, 2022	December 31, 2021
Time deposit (recognized in AC)	Foreign currency — denominated overdraft guarantee	\$ 3,500,000	2,000,000
Government bonds (recognized in FVOCI)	Trust fund identity reserve deposits	49,356	50,280
	Provisional seizure	123,488	132,169
	Operating deposits for trading bills	49,356	50,065
	Settlement operating deposits for trading bonds	9,871	10,013
	Deposits for Taxation Administration, Ministry of Finance	130,300	132,171
Bank savings (recognized in other assets, net)	Settlement deposits for bonds	8,100	8,100
	Deposits for lawsuits	15	2,223
	Foreign currency — denominated overdraft guarantee	88,146	86,940
		\$ 3,958,632	2,471,961

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Bank of Panhsin
Notes to the Financial Statements

(9) Commitments and contingencies:

(a) Significant contingent liabilities and unrecognized contract commitments

(i) Significant purchase agreements

December 31, 2022		
Contract name	Contract price	Unpaid portion of contract price
Significant purchase agreements:		
Digital financial park construction	\$ 1,214,399	857,235
Software system	37,216	22,290
Hardware equipment	4,596	1,852
Total	\$ 1,256,211	881,377

December 31, 2021		
Contract name	Contract price	Unpaid portion of contract price
Significant purchase agreements:		
Software system	\$ 61,718	32,802
Hardware equipment	14,414	5,186
Total	\$ 76,132	37,988

(ii) For significant leases and capital expenditure, please refer to note 6(ao).

(b) Other

	December 31, 2022	December 31, 2021
Consignment collection for others	\$ 8,001,014	7,616,621
Consignment released and loans for others	1,935,737	1,913,991
Collateral held as performance bond	60,451	125
Custodial securities	130,000	130,000
Trust assets	57,648,142	52,393,725
Total	\$ 67,775,344	62,054,462
Unused amounts of irrevocable loan commitments	\$ 6,913,165	5,958,307
Various guarantee proceeds	\$ 7,940,385	8,344,073
Unused amount of irrevocable letter of credit	\$ 2,923,773	3,339,057

(Continued)

Bank of Panhsin
Notes to the Financial Statements

- (c) In accordance with local regulations, disclosure of accounts in the statement of financial position and a summary of trust asset items for trust business are as follows:

Trust balance sheet			
December 31, 2022			
Trust assets		Trust liabilities	
Bank deposits	\$ 13,603,719	Management fees payable	332
Investment in bonds	5,051,866	Trust capital – monetary trust	33,489,679
Investment in stocks	2,280,836	Trust capital – securities trust	1,099,410
Investment in funds	15,626,437	Trust capital – real estate	22,645,168
Land	17,111,435	Trust capital – land rights	-
Building	21,697	Net income	799,750
Construction in progress	3,952,152	Unappropriated earnings	(230,687)
Land rights	-	Deferred suspense accounts	(155,510)
Total trust assets	<u>\$ 57,648,142</u>	Total trust liabilities	<u>57,648,142</u>

Trust balance sheet			
December 31, 2021			
Trust assets		Trust liabilities	
Bank deposits	\$ 14,300,827	Management fees payable	314
Investment in bonds	3,065,396	Trust capital – monetary trust	30,774,573
Investment in stocks	2,157,989	Trust capital – securities trust	1,239,932
Investment in funds	14,126,654	Trust capital – real estate	20,057,542
Land	14,658,036	Trust capital – land rights	-
Building	138,576	Net income	844,486
Construction in progress	3,946,247	Unappropriated earnings	(359,712)
Land rights	-	Deferred suspense accounts	(163,410)
Total trust assets	<u>\$ 52,393,725</u>	Total trust liabilities	<u>52,393,725</u>

(Continued)

Bank of Panhsin
Notes to the Financial Statements

Trust income statement

	2022	2021
Trust revenue:		
Interest revenue	\$ 164,649	95,303
Realized investment gain — funds	71,585	208,817
Realized investment gain — bonds	2,980	17,835
Realized investment gain — stock	32,736	66,413
Cash dividends revenue	949,611	759,771
Subtotal	<u>1,221,561</u>	<u>1,148,139</u>
Trust expenses:		
Management expenses	13,344	17,747
Trust fees	12,285	14,554
Realized investment loss — funds	355,769	257,263
Realized investment loss — bonds	27,857	11,465
Realized investment loss — stock	11,811	2,472
Other expenses	11	18
Subtotal	<u>421,077</u>	<u>303,519</u>
Net income before income tax	800,484	844,620
Income tax expense	734	134
Net income after income tax	<u><u>\$ 799,750</u></u>	<u><u>844,486</u></u>

Trust asset register	
December 31, 2022	
Item	Amount
Bank deposits	\$ 13,603,719
Investment in bonds	5,051,866
Investment in stocks	2,280,836
Investment in funds	15,626,437
Land	17,111,435
Building	21,697
Construction in progress	<u>3,952,152</u>
Total	<u><u>\$ 57,648,142</u></u>

(Continued)

Bank of Panhsin
Notes to the Financial Statements

Trust asset register	
December 31, 2021	
Item	Amount
Bank deposits	\$ 14,300,827
Investment in bonds	3,065,396
Investment in stocks	2,157,989
Investment in funds	14,126,654
Land	14,658,036
Building	138,576
Construction in progress	3,946,247
Total	<u><u>\$ 52,393,725</u></u>

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: Please refer to note 6(ab).

(12) Other:

Supplementary disclosures of asset quality, overdue loans and receivables, concentration of credit extensions, interest rate sensitivity information, profitability, and the structure analysis of assets' and liabilities' time to maturity were as follows:

(a) Asset quality

Period			December 31, 2022				
			Overdue loan amount	Loan balance	Overdue ratio	Allowance for bad debts	Coverage ratio
Corporate banking	Secured		224,499	79,087,738	0.28%	988,441	440.29%
	Unsecured		15,956	48,879,779	0.03%	551,709	3,457.69%
Consumer banking	Mortgage		114,029	17,594,185	0.65%	320,195	280.80%
	Cash card		-	-	- %	-	- %
	Credit loan		429	258,374	0.17%	5,367	1,251.05%
	Others	Secured	19,475	48,372,477	0.04%	503,678	2,586.28%
		Unsecured	-	1,359,152	- %	14,089	- %
Total			374,388	195,551,705	0.19%	2,383,479	636.63%
			Overdue	Accounts receivable	Overdue ratio	Allowance for bad debts	Coverage ratio
Credit cards			-	-	- %	-	- %
Without-recourse factoring			-	106,145	- %	1,307	- %

(Continued)

Bank of Panhsin
Notes to the Financial Statements

Period			December 31, 2021				
			Overdue loan amount	Loan balance	Overdue ratio	Allowance for bad debts	Coverage ratio
Corporate banking	Secured		212,020	68,890,057	0.31%	864,578	407.78%
	Unsecured		19,831	59,654,664	0.03%	658,247	3,319.28%
Consumer banking	Mortgage		82,093	18,947,464	0.43%	324,810	395.66%
	Cash card		-	-	- %	-	- %
	Credit loan		906	206,149	0.44%	6,848	755.85%
	Others	Secured	89,510	40,291,795	0.22%	420,034	469.26%
		Unsecured	-	1,806,801	- %	19,520	- %
	Total			404,360	189,796,930	0.21%	2,294,037
			Overdue	Accounts receivable	Overdue ratio	Allowance for bad debts	Cover rate
Credit cards			-	-	- %	-	- %
Without-recourse factoring			-	-	- %	-	- %

Exemption from reporting non-performing loans (NPL) and overdue receivables

	December 31, 2022		December 31, 2021	
	Excluded NPL	Excluded overdue receivables	Excluded NPL	Excluded overdue receivables
As a result of debt consultation and loan agreement	4,391	-	7,284	-
As a result of debt solvency and restart plan	2,389	-	4,226	-
Total	6,780	-	11,510	-

(Continued)

Bank of Panhsin
Notes to the Financial Statements

(b) Information on concentration of credit risk

Unit: NTD thousand

December 31, 2022			
Rank	Group company	Outstanding loan	Percentage of net worth (%)
1	A United Group (6499-Other financial service activities)	2,300,320	11.89%
2	B United Group (4620-Wholesale of Chemical Materials and Chemical Products)	2,129,310	11.01%
3	C United Group (6429-Activities of Other Holding Companies)	2,051,645	10.61%
4	D United Group (5510-Short-term accommodation)	1,944,211	10.05%
5	E United Group (6491-Financial Leasing Industry)	1,880,113	9.72%
6	F United Group (2779-Other optical instruments and equipment manufacturing)	1,765,450	9.13%
7	G United Group (1121-Manufacture of Woren Cotton-type or Woolen-type Fabrics)	1,701,073	8.80%
8	H United Group (6700-Real Estate Development Activities)	1,514,290	7.83%
9	I United Group (4631-Wholesale of liquid gaseous fuels and related products)	1,501,340	7.76%
10	J United Group (6811-Real Estate Activities for Sale and Rental with Own or Leased Property)	1,481,060	7.66%
	Total	18,268,812	

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Bank of Panhsin
Notes to the Financial Statements

December 31, 2021			
Rank	Group company	Outstanding loan	Percentage of net worth (%)
1	C United Group (6429-Activities of Other Holding Companies)	2,061,540	11.21%
2	A United Group (6499-Other financial service activities)	1,950,000	10.60%
3	B United Group (4620-Wholesale of Chemical Materials and Chemical Products)	1,620,662	8.81%
4	J United Group (6811-Real Estate Activities for Sale and Rental with Own or Leased Property)	1,582,080	8.60%
5	K United Group (2413-Iron and Steel Rolls over Extends and Crowding)	1,569,161	8.53%
6	L United Group (6811-Real Estate Activities for Sale and Rental with Own or Leased Property)	1,360,814	7.40%
7	H United Group (6700-Real Estate Development Activities)	1,348,410	7.33%
8	M United Group (2641-Manufacture of Liquid Crystal Panel and Components)	1,250,923	6.80%
9	N United Group (1121-Manufacture of Woven Cotton-type or Woolen-type Fabrics)	1,222,143	6.64%
10	O United Group (2699-Other Electronic Parts and Components Not Elsewhere Classified)	1,211,493	6.59%
	Total	15,177,226	

Note: According to the total credit balance of credit-granting households, list the names of the top ten credit-granting enterprises that are not government or state-owned enterprises. If the credit-granting household is a group enterprise, the credit amount of the group enterprise should be returned to the household and added List and disclose by", code" plus "industry type" [such as company A (group) LCD panel and its component manufacturing industry], if it is a group company, it should disclose the industry with the greatest risk to the group company Type, industry category should be listed in the "Sub-category" industry name according to the industry standard classification of the main accounting department.

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Bank of Panhsin
Notes to the Financial Statements

(c) Interest rate sensitivity information

(i) Sensitivity analysis of interest rate for assets and liabilities (NTD)

December 31, 2022

Unit: NTD thousand, %

Item	1~90 days (inclusive)	91~180 days (inclusive)	181 days~1 year (inclusive)	Over 1 year	Total
Interest-rate-sensitive assets	\$ 201,766,123	5,665,567	10,907,094	20,172,424	238,511,208
Interest-rate-sensitive liabilities	93,220,378	119,078,664	16,583,871	7,684,447	236,567,360
Interest-rate sensitivity gap	108,545,745	(113,413,097)	(5,676,777)	12,487,977	1,943,848
Net worth					19,339,528
Ratio of interest-rate-sensitive assets to liabilities					100.82
Ratio of interest-rate sensitivity gap to net worth					10.05

December 31, 2021

Unit: NTD thousand, %

Item	1~90 days (inclusive)	91~180 days (inclusive)	181 days~1 year (inclusive)	Over 1 year	Total
Interest-rate-sensitive assets	\$ 207,061,525	1,110,683	2,299,990	20,760,933	231,233,131
Interest-rate-sensitive liabilities	80,474,282	119,693,492	20,964,600	8,438,650	229,571,024
Interest-rate sensitivity gap	126,587,243	(118,582,809)	(18,664,610)	12,322,283	1,662,107
Net worth					18,392,018
Ratio of interest-rate-sensitive assets to liabilities					100.72
Ratio of interest-rate sensitivity gap to net worth					9.04

(ii) Sensitivity analysis of interest rate for assets and liabilities (USD)

December 31, 2022

Unit: USD thousand, %

Item	1~90 days (inclusive)	91~180 days (inclusive)	181 days~1 year (inclusive)	Over 1 year	Total
Interest-rate-sensitive assets	\$ 586,109	40,612	998	607,582	1,235,301
Interest-rate-sensitive liabilities	953,435	122,949	134,196	-	1,210,580
Interest-rate sensitivity gap	(367,326)	(82,337)	(133,198)	607,582	24,721
Net worth					11,217
Ratio of interest-rate-sensitive assets to liabilities					102.04
Ratio of interest-rate sensitivity gap to net worth					220.39

(Continued)

Bank of Panhsin
Notes to the Financial Statements

December 31, 2021

Unit: USD thousand, %

Item	1~90 days (inclusive)	91~180 days (inclusive)	181 days~1 year (inclusive)	Over 1 year	Total
Interest-rate-sensitive assets	\$ 589,883	50,466	11,153	413,928	1,065,430
Interest-rate-sensitive liabilities	690,391	131,283	197,859	-	1,019,533
Interest-rate sensitivity gap	(100,508)	(80,817)	(186,706)	413,928	45,897
Net worth					19,752
Ratio of interest-rate-sensitive assets to liabilities					104.50
Ratio of interest-rate sensitivity gap to net worth					232.37

(d) Profitability

Unit: %

Item		December 31, 2022	December 31, 2021
Return on total assets	Before income tax	0.64	0.45
	After income tax	0.56	0.37
Return on net worth	Before income tax	10.06	6.98
	After income tax	8.72	5.78
Profit margin		34.19	24.22

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

Note 2: Return on net worth = Income before (after) income tax / Average net worth

Note 3: Profit margin = Income after income tax / Total operating revenues

Note 4: Income before (after) income tax is the income for the whole year.

(Continued)

Bank of Panhsin
Notes to the Financial Statements

(e) Structure analysis of assets' and liabilities' time to maturity

(i) Duration analysis in New Taiwan dollars

December 31, 2022

Unit: NTD thousand

	Total	Aging for remaining period until expiration					
		0~10 days	11~30 days	31~90 days	91~180 days	181 days~ 1year	Over 1 year
Capital provided	\$ 259,989,239	26,549,735	14,365,499	19,492,841	27,260,414	45,811,768	126,508,982
Capital used	334,783,160	6,743,404	15,700,853	35,138,489	40,447,981	79,125,357	157,627,076
Spread	(74,793,921)	19,806,331	(1,335,354)	(15,645,648)	(13,187,567)	(33,313,589)	(31,118,094)

December 31, 2021

Unit: NTD thousand

	Total	Aging for remaining period until expiration					
		0~10 days	11~30 days	31~90 days	91~180 days	181 days~ 1year	Over 1 year
Capital provided	\$ 251,189,358	19,488,980	29,692,827	14,219,672	21,568,218	43,812,205	122,407,456
Capital used	341,719,209	8,565,312	16,969,421	38,174,028	44,035,358	85,107,788	148,867,302
Spread	(90,529,851)	10,923,668	12,723,406	(23,954,356)	(22,467,140)	(41,295,583)	(26,459,846)

(ii) Duration analysis in US dollars

December 31, 2022

Unit: USD thousand

	Total	Aging for remaining period until expiration				
		0~30 days	31~90 days	91~180 days	181 days~ 1year	Over 1 year
Capital provided	\$ 1,335,240	206,954	94,203	69,865	64,767	899,451
Capital used	1,778,458	538,829	427,207	170,976	210,852	430,594
Spread	(443,218)	(331,875)	(333,004)	(101,111)	(146,085)	468,857

December 31, 2021

Unit: USD thousand

	Total	Aging for remaining period until expiration				
		0~30 days	31~90 days	91~180 days	181 days~ 1year	Over 1 year
Capital provided	\$ 1,142,480	196,481	76,235	76,093	94,175	699,496
Capital used	1,432,621	318,177	234,634	179,205	290,253	410,352
Spread	(290,141)	(121,696)	(158,399)	(103,112)	(196,078)	289,144

(Continued)

Bank of Panhsin

Notes to the Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Publicly Held Banks":

(i) Loans to other parties: Not applicable for banking industry; Subsidiaries:

Unit: NTD thousand

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period (%)	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral Item	Value	Individual funding loan limits	Maximum limit of fund financing
1	Panhsin Asset Management	Tang Hsa Construction Co., Ltd.	Accounts Receivable	No	350,000	350,000	346,437	5.125~10.7	1	346,437	None.	5,197	None.	-	633,726	4,436,082
1	Panhsin Asset Management	Heng He Construction Co., Ltd.	Accounts Receivable	No	200,000	200,000	200,000	5.125~10.7	1	200,000	None.	3,000	None.	-	633,726	4,436,082
1	Panhsin Asset Management	Heng He Construction Co., Ltd.	Accounts Receivable	No	80,000	80,000	17,103	5.125~10.7	1	17,103	None.	257	None.	-	633,726	4,436,082
1	Panhsin Asset Management	Yonglian Construction Co., Ltd.	Accounts Receivable	No	104,100	104,100	28,550	5.125~10.7	1	28,550	None.	428	None.	-	633,726	4,436,082
1	Panhsin Asset Management	Baohe Construction Co., Ltd.	Accounts Receivable	No	75,900	75,900	17,450	5.125~10.7	1	17,450	None.	262	None.	-	633,726	4,436,082

Note 1: The explanation in the number column is as follows:

- (1) Issuer fills in 0
- (2) Invested companies are numbered sequentially starting from the Arabic number 1 according to company type.

Note 2: The quota / amount of loan to others for funds still valid.

Note 3: The capital loan and nature should be filled in:

- (1) For business correspondence fill in 1.
- (2) If necessary for short-term financing, fill in 2.

Note 4: Loans and limits for individual target funds: The limit is 1 times the net value of the latest financial report of Panhsin Asset Management..

Note 5: Limit of loaning of funds: The total amount of funds and loans is limited to 7 times the net value of the latest financial report of Panhsin Asset Management..

- (ii) Guarantees and endorsements for other parties: Not applicable for banking industry; Subsidiaries: None.
- (iii) Securities held as of December 31, 2022 (excluding investment in subsidiaries, associates and joint ventures): Not applicable for banking industry; Subsidiaries: None.
- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of TWD 300 million or 10% of the capital stock: None.
- (v) Acquisition of individual real estate with amount exceeding the lower of TWD 300 million or 10% of the capital stock: None.
- (vi) Disposal of individual real estate with amount exceeding the lower of TWD 300 million or 10% of the capital stock: None.
- (vii) Related-party transactions for purchases and sales with amounts exceeding the lower of TWD 50 million: None.

(Continued)

Bank of Panhsin
Notes to the Financial Statements

- (viii) Receivables from related parties with amounts exceeding the lower of TWD 300 million or 10% of capital stock: None.
- (ix) Trading in derivative instruments: Not applicable for banking industry; Subsidiaries: None.
- (x) Information regarding selling non-performing loans:
- 1) Summary table of selling non-performing loans: None.
 - 2) Selling non-performing loans by single over TWD 1 billion: None.
- (xi) Approved securitization instrument types and related information according to "asset-backed securitization" or "mortgage-backed securitization": None.
- (xii) Other material transaction items which were significant to people who use the information in the financial statements: None.

(b) Information on investees:

The following is the information on investees for the year ended December 31, 2022 (excluding information on investees in Mainland China):

Unit: NTD thousand/Thousands of shares

Name of investee	Investee Location	Investee's operation	Percentage of ownership	Book Value of investments	Gain(loss) recognized due the period	Aggregate shareholding of the Company and its subsidiaries				Remark
						Number of shares	Pro forma number of shares	Total		
		shares	Percentage							
Panhsin Asset Management Co., Ltd.	Banqiao City, New Taipei City	Purchasing non-performing loans; Parking business; Urban renewal financing	100.00%	633,911	46,101	56,000	-	56,000	100.00%	subsidiary
Panhsin International Leasing Co., Ltd.	Banqiao City, New Taipei City	Rental and leasing	100.00%	421,083	(133,042)	41,408	-	41,408	100.00%	subsidiary

(c) Information on investment in mainland China: None

(14) Segment information:

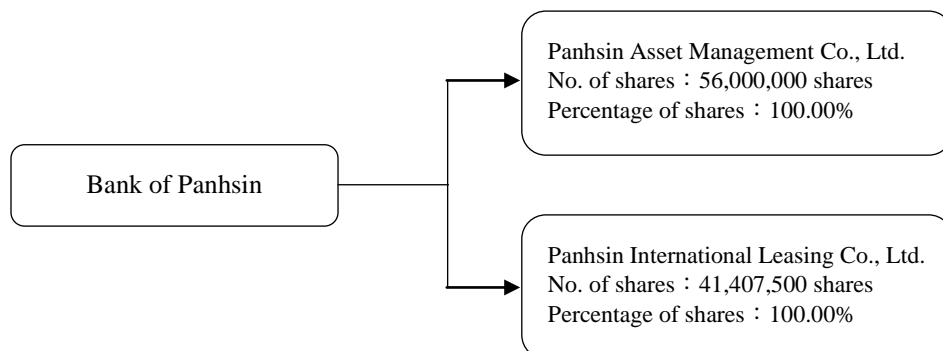
Please refer to 2022 Chinese consolidated financial statements.

Special disclosures

I、Affiliate information

(I) Affiliate organizational structure

Baseline date: December 31, 2022



(II) Profiles of affiliates

Company name	Date of establishment	Address	Paid-in capital (NT\$1,000)	Main businesses/products
Panhsin Asset Management Co., Ltd.	2005.06.02	6F, No.210, Sec. 1, Sanmin Rd., Banqiao Dist., New Taipei City, Taiwan (R.O.C.)	560,000	Purchase of non-performing assets
Panhsin International Leasing Co., Ltd.	2014.11.03	6F, No. 66, Chongqing Rd., Banqiao Dist., New Taipei City, Taiwan (R.O.C.)	414,075	Property/Lease

(III) Information of common shareholders who are presumed to have a relationship of control and subordination: N/A.

(IV) Information of Directors, Supervisors, and Presidents of affiliates.

Baseline date: December 31, 2022

Company name	Position	Name or representative	Shares held	
			No. of shares (shares)	Percentage (%)
Panhsin Asset Management Co., Ltd.	Chairman	Dai-Ming Kuo (representative of Bank of Panhsin)	56,000,000	100.00
	Director	Ming-Hsin Chiu (representative of Bank of Panhsin)		
	Director	Lin-Long Chien (representative of Bank of Panhsin)		
	Director	Biing-Hwa Liu (representative of Bank of Panhsin)		
	Director	Shih-Chi Wu (representative of Bank of Panhsin)		
	Supervisor	Li-Chin Wei (representative of Bank of Panhsin)		
	President	Pang-Hsi Chang		
Panhsin International Leasing Co., Ltd.	Chairman	Ming-Daw Chang (representative of Bank of Panhsin)	41,407,500	100.00
	Director	Sharon Chen (representative of Bank of Panhsin)		
	Director	Yung-Lun Lee (representative of Bank of Panhsin)		
	Director	Shih-Yang Liu (representative of Bank of Panhsin)		
	Director	Yun-Mei Meng (representative of Bank of Panhsin)		
	Supervisor	Chiung-Chi Huang (representative of Bank of Panhsin)		
	President	Hung-Yueh Chen		

Directory of Head Office & Branches

Units	Address	Telephone	Fax
Head Office	No.68, Sec. 2, Xianmin Blvd., Banqiao Dist., New Taipei City, Taiwan (R.O.C.)	(02)29629170	(02)29572011
International Banking Department	27F., No.68, Sec. 2, Xianmin Blvd., Banqiao Dist., New Taipei City, Taiwan (R.O.C.)	(02)29629170	(02)89646006
Offshore Banking Branch	27F., No.68, Sec. 2, Xianmin Blvd., Banqiao Dist., New Taipei City, Taiwan (R.O.C.)	(02)29629170	(02)89646006
Trust Department	24F., No.68, Sec. 2, Xianmin Blvd., Banqiao Dist., New Taipei City, Taiwan (R.O.C.)	(02)29629170	(02)29623668
Domestic Banking Department	No.68, Sec. 2, Xianmin Blvd., Banqiao Dist., New Taipei City, Taiwan (R.O.C.)	(02)89514488	(02)29574588
Banciao Branch	No.11, Sec. 1, Wenhua Rd., Banqiao Dist., New Taipei City, Taiwan (R.O.C.)	(02)29689101	(02)29665807
Houpu Branch	No.18, Chengdu St., Banqiao Dist., New Taipei City, Taiwan (R.O.C.)	(02)29629121	(02)89538113
Puqian Branch	No.100, Sec. 2, Zhongshan Rd., Banqiao Dist., New Taipei City, Taiwan (R.O.C.)	(02)29629106	(02)29541499
Huajiang Branch	No.382, Sec. 2, Wenhua Rd., Banqiao Dist., New Taipei City, Taiwan (R.O.C.)	(02)22529101	(02)82537007
Minzu Branch	No.339, Hansheng E. Rd., Banqiao Dist., New Taipei City, Taiwan (R.O.C.)	(02)29629111	(02)29581242
Wenhua Branch	No.261, Sec. 1, Wenhua Rd., Banqiao Dist., New Taipei City, Taiwan (R.O.C.)	(02)22587777	(02)22593584
Daguan Branch	No.155, Sec. 2, Daguan Rd., Banqiao Dist., New Taipei City, Taiwan (R.O.C.)	(02)22756566	(02)22752574
Zhongzheng Branch	No.252, Minquan Rd., Banqiao Dist., New Taipei City, Taiwan (R.O.C.)	(02)89658998	(02)89682156
Yonghe Branch	No.12, Renai Rd., Yonghe Dist., New Taipei City, Taiwan (R.O.C.)	(02)29299481	(02)29210495
Xiulang Branch	No.118, Dehe Rd., Yonghe Dist., New Taipei City, Taiwan (R.O.C.)	(02)29417966	(02)29498035
Fuhe Branch	No.45, Yongzhen Rd., Yonghe Dist., New Taipei City, Taiwan (R.O.C.)	(02)89211919	(02)89213377
Zhonghe Branch	No.232, Zhonghe Rd., Zhonghe Dist., New Taipei City, Taiwan (R.O.C.)	(02)22498756	(02)22497418
Xingnan Branch	No.338, Jingxin St., Zhonghe Dist., New Taipei City, Taiwan (R.O.C.)	(02)29459366	(02)29458495
Yuanshan Branch	No.753, Zhongzheng Rd., Zhonghe Dist., New Taipei City, Taiwan (R.O.C.)	(02)22259199	(02)22260657
Tucheng Branch	No.289, Sec. 1, Zhongyang Rd., Tucheng Dist., New Taipei City, Taiwan (R.O.C.)	(02)22629119	(02)22654536
Jincheng Branch	No.91, Sec. 3, Jincheng Rd., Tucheng Dist., New Taipei City, Taiwan (R.O.C.)	(02)82615666	(02)22709241
Xinzhuang Branch	No.719, Xingfu Rd., Xinzhuang Dist., New Taipei City, Taiwan (R.O.C.)	(02)29906699	(02)29900433
Danfeng Branch	No.706, Zhongzheng Rd., Xinzhuang Dist., New Taipei City, Taiwan (R.O.C.)	(02)29033199	(02)29033488
Sanchong Branch	No.35, Sec. 4, Chongyang Rd., Sanchong Dist., New Taipei City, Taiwan (R.O.C.)	(02)89839966	(02)29871976
Shulin Branch	No.58, Zhenqian St., Shulin Dist., New Taipei City, Taiwan (R.O.C.)	(02)86755666	(02)86755656

Units	Address	Telephone	Fax
Xindian Branch	No.60, Minquan Rd., Xindian Dist., New Taipei City, Taiwan (R.O.C.)	(02)89113377	(02)89113661
Beixin Branch	No.17, Sec. 3, Beixin Rd., Xindian Dist., New Taipei City, Taiwan (R.O.C.)	(02)29115428	(02)29124753
Luchou Branch	No.258, Minzu Rd., Luchou Dist., New Taipei City, Taiwan (R.O.C.)	(02)82850666	(02)82835789
Xizhi Branch	No.91-2, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City, Taiwan (R.O.C.)	(02)26972959	(02)26973500
Antung Branch	No.188, Sec. 2, Bade Rd., Zhongshan Dist., Taipei City, Taiwan (R.O.C.)	(02)27110633	(02)27417381
Fuxing Branch	No.426, Fuxing N. Rd., Zhongshan Dist., Taipei City, Taiwan (R.O.C.)	(02)25151488	(02)25184088
Tachih Branch	No.632, Bei'an Rd., Zhongshan Dist., Taipei City, Taiwan (R.O.C.)	(02)25329933	(02)25321086
Nanjing E. Road Branch	No.130, Sec. 3, Nanjing E. Rd., Zhongshan Dist., Taipei City, Taiwan (R.O.C.)	(02)27722629	(02)27720569
Minsheng Branch	No.133-1, Sec. 3, Minsheng E. Rd., Songshan Dist., Taipei City, Taiwan (R.O.C.)	(02)87129966	(02)27120222
Bade Branch	No.360, Sec. 2, Bade Rd., Songshan Dist., Taipei City, Taiwan (R.O.C.)	(02)27528833	(02)27405959
Minquan Branch	No.136, Minquan W. Rd., Datong Dist., Taipei City, Taiwan (R.O.C.)	(02)25575818	(02)25573258
Chungching Branch	No.27, Zhengzhou Rd., Datong Dist., Taipei City, Taiwan (R.O.C.)	(02)25558151	(02)25591831
Kuting Branch	No.271, Sec. 3, Roosevelt Rd., Da'an Dist., Taipei City, Taiwan (R.O.C.)	(02)23629211	(02)23620161
Mengchia Branch	1-2F., No.53, Sec. 2, Guiyang St., Wanhua Dist., Taipei City, Taiwan (R.O.C.)	(02)23086165	(02)23066452
Shuangyuan Branch	No.145, Dongyuan St., Wanhua Dist., Taipei City, Taiwan (R.O.C.)	(02)23011180	(02)23016894
Hsimen Branch	No.193, Hanzhong St., Wanhua Dist., Taipei City, Taiwan (R.O.C.)	(02)23122155	(02)23116316
Wanta Branch	No.244, Wanda Rd., Wanhua Dist., Taipei City, Taiwan (R.O.C.)	(02)23377719	(02)23370694
Xinyi Branch	No.127, Sec. 2, Keelung Rd., Xinyi Dist., Taipei City, Taiwan (R.O.C.)	(02)27329999	(02)27334900
Sungshan Branch	No.196, Zhuangjing Rd., Xinyi Dist., Taipei City, Taiwan (R.O.C.)	(02)27208541	(02)27203851
Shinlin Branch	No.79, Ln. 109, Dexing E. Rd., Shilin Dist., Taipei City, Taiwan (R.O.C.)	(02)28349361	(02)28333280
Neihu Branch	No.163, Sec. 4, Chenggong Rd., Neihu Dist., Taipei City, Taiwan (R.O.C.)	(02)87919999	(02)87919899
Ruiguang Branch	No.633, Ruiguang Rd., Neihu Dist., Taipei City, Taiwan (R.O.C.)	(02)26560188	(02)26560166
Tunghu Branch	No.55, Donghu Rd., Neihu Dist., Taipei City, Taiwan (R.O.C.)	(02)26312411	(02)26333251
Huandong Branch	No.108, Xinming Rd., Neihu Dist., Taipei City, Taiwan (R.O.C.)	(02)27965589	(02)27967988
Nangang Branch	No.218、220, Sec. 1, Nangang Rd., Nangang Dist., Taipei City, Taiwan (R.O.C.)	(02)25429999	(02)25311707
Hsinglung Branch	No.185, Sec. 2, Xinglong Rd., Wenshan Dist., Taipei City, Taiwan (R.O.C.)	(02)29320555	(02)29313382
Mucha Branch	No.236, Sec. 3, Muxin Rd., Wenshan Dist., Taipei City, Taiwan (R.O.C.)	(02)29362121	(02)29362883

Units	Address	Telephone	Fax
Luodong Branch	No.119, Gongzheng Rd., Luodong Town, Yilan County, Taiwan (R.O.C.)	(03)9568866	(03)9557199
Taoyuan Branch	No.360, Yongan Rd., Taoyuan Dist., Taoyuan City, Taiwan (R.O.C.)	(03)3398777	(03)3396362
Taoying Branch	No. 28-8, Yanping Rd., Taoyuan Dist., Taoyuan City, Taiwan (R.O.C.)	(03)3758999	(03)3660551
North Taoyuan Branch	No.449, Jingguo Rd., Taoyuan Dist., Taoyuan City, Taiwan (R.O.C.)	(03)3167377	(03)3165229
Longgang Branch	No.78, Longdong Rd., Jhongli Dist., Taoyuan City, Taiwan (R.O.C.)	(03)4657799	(03)4655511
Hsinchu Branch	No.56, Zihciang S. Rd., Jhubei City, Hsinchu County, Taiwan (R.O.C.)	(03)6581588	(03)6580189
Miaoli Branch	No.39, Zhongzheng Rd., Tongluo Township, Miaoli County, Taiwan (R.O.C.)	(037)985366	(037)985775
Taichung Branch	No.556, Sec. 1, Wunsin Rd., Nantun Dist., Taichung City, Taiwan (R.O.C.)	(04)23267799	(04)23266029
North Taichung Branch	No.186, Sec. 4, Wunsin Rd., North Dist., Taichung City, Taiwan (R.O.C.)	(04)22961798	(04)22961885
Chiayi Branch	No.298, Jhongshan Rd., West Dist., Chiayi City, Taiwan (R.O.C.)	(05)2279045	(05)2291649
Tainan Branch	No.189, Chongming Rd., East Dist., Tainan City, Taiwan (R.O.C.)	(06)3368799	(06)3361287
Chenggong Branch	No.457, Chenggong Rd., West Central Dist., Tainan City, Taiwan (R.O.C.)	(06)2113999	(06)2112388
Xiaokang Branch	No.213, Erling Rd., Xiaogang Dist., Kaohsiung City, Taiwan (R.O.C.)	(07)8011161	(07)8023727
Xinxing Branch	No.65, Zhongzheng 4th Rd., Xinxing Dist., Kaohsiung City, Taiwan (R.O.C.)	(07)2413168	(07)2514088
Qianzhen Branch	No.421, Rueilong Rd., Cianjhen Dist., Kaohsiung City, Taiwan (R.O.C.)	(07)7513176	(07)7513380
Yangming Branch	No.178, Jyuemin Rd., Sanmin Dist., Kaohsiung City, Taiwan (R.O.C.)	(07)3865111	(07)3828199
Kaoxinzhuang Branch	No.485, Xinzhuangzai Rd., Zuoying Dist., Kaohsiung City, Taiwan (R.O.C.)	(07)3412621	(07)3416142
Yanchao Branch	No.761, Zhongmin Rd., Yanchao Dist., Kaohsiung City, Taiwan(R.O.C.)	(07)6169558	(07)6169006