E.SUN Bank

Risk Management Disclosure Report

December 2024

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A. Risk Management Framework

This section outlines the risk management framework established by E.SUN Bank (hereinafter "the bank"), which serves to identify, evaluate, supervise, and control various risks inherent in the bank's operations.

1. The main risks faced under the current business strategy, as well as the relationship between risk situations and the risk tolerance approved by the Board of Directors

The bank has long been committed to creating a stable and flexible culture. Stability comes from a shared vision and responsibility, clear values, and long-term talent cultivation; flexibility comes from precise strategies, strong execution, and flexible resource allocation. Possible risks include: credit risk, market risk, operational risk, interest rate risk, legal and compliance risk, liquidity risk, money laundering and terrorist financing risk, information security risk, strategic risk, reputational risk, climate change risk, and emerging risk. To control and mitigate risks across the bank, a risk appetite mechanism has been established, with major risk categories being classified, and risk quantification conducted through stress testing, reported to the Board of Directors quarterly, and reviewed annually after the risk appetite threshold are approved by the Board of Directors. The bank sets the overall risk preference level to drive risk-taking capacity, capital management, and supervision to meet management requirements.

2. E.SUN Bank Risk Management Structure

I. Board of Directors

(1) The Board of Directors of E.SUN Bank is the highest decision-making unit for establishing an effective risk management mechanism in the bank and takes the ultimate responsibility for overall risk management.

(2) The Board of Directors, based on the overall business strategy and economic environment, approves the overall risk management policy and major decisions, reviews risk management reports, and ensures the effective operation of the risk management mechanism.

II. Risk Management Committee

(1) Implement the risk management policies approved by the Board of Directors, integrate cross-departmental resources, and guide the coordination, implementation, and operation of various risk management mechanisms.

(2) Review the overall risk exposure, risk appetite, limit management, stress testing, and various risk situations of E.SUN Bank, promote and guide the development and implementation of internal rating systems in relevant

departments.

III. Risk Management Division

(1) Integrate the review, supervision, and coordination of various risk management mechanisms of E.SUN Bank, be responsible for formulating risk management policies and principles, and serve as a reference for business units.

(2) Guide the implementation of credit risk evaluation mechanisms, carry out verification of credit rating models independently, assist business management departments in establishing risk control processes, and compile risk management reports to report to the Board of Directors and Risk Management Committee.

IV. Business Unit

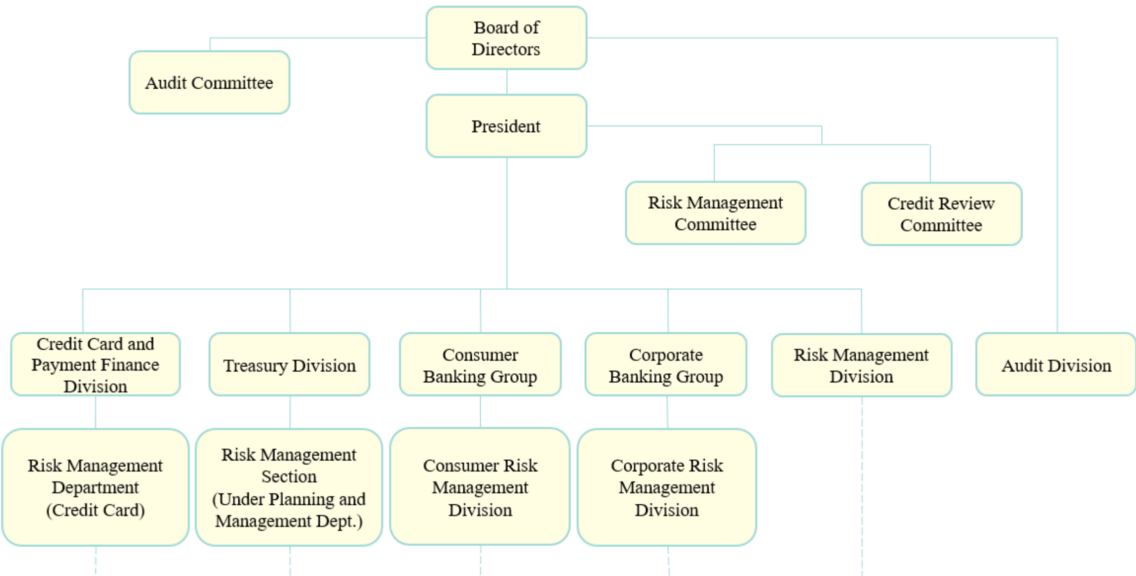
(1) Each business unit should identify, evaluate, and control the risks of managed businesses and related new products, services, or new types of businesses, formulate various risk management regulations, and implement and review them in accordance with the Risk Management Division to complete various risk controls.

(2) Establish risk acceptance limits and monitoring indicators, implement credit risk balancing and credit rating model monitoring, and establish and implement risk management mechanisms according to business attributes, as well as provide risk management reports.

V. Audit Division

The Audit Division supervises E.SUN Bank's risk management and ensure that it complies with established policies and monitoring procedures.

Figure 1 – E.SUN Bank Risk Management Structure



3. Bank risk culture and its cultivation and implementation channels

The bank's risk management culture is to protect asset security, improve customer service quality, and increase shareholder value, while controlling the risks that may arise from various business operations within an acceptable range. Under the premise of ensuring capital adequacy, the bank aims to achieve a balance between risk and return, becoming a strong backing for business development. Therefore, in order to effectively identify, measure, monitor, and control various risks, E.SUN Bank adheres to the spirit of "no business operations can be considered beyond risk" in the development of various businesses, while considering the balance between risk management and performance measurement, incorporating risk management structure into performance appraisal. E.SUN Bank’s business development policies place security and liquidity first, followed by returns and then growth.

To establish a risk management culture and systematically enhance risk awareness, every E.SUN Bank employee learns the core of E.SUN Bank's risk culture, regulations, and processes from the first day they join E.SUN Bank, and undergoes risk management training courses tailored to various businesses and stages.

4. Scope and main features of the risk measurement system

I. Credit risk:

(1) Establish control based on the degree of concentration risk of different countries, risks of exposure to mainland area, individual enterprises, individual industries, or the same group. Monitoring items such as credit limits, transaction counterparty limits, and financial product transaction limits. Establish an appropriate credit risk control environment, including credit approval processes, credit management, measurement, and monitoring processes.

(2) E.SUN Bank has established an internal credit risk rating system, which measures credit risk through quantitative methods, estimates the borrower's Probability of Default(PD), Loss Given Default(LGD), Exposure at Default(EAD), Expected Loss (EL), and further distinguishes risk groups, incorporating them into the credit granting process, linking credit authorization, interest rate pricing, limit management, post-lending management, stress testing, capital management, etc., and ensuring the accuracy, completeness, and relevance of the data used to refine risk management.

(3) To ensure the effective operation of the internal rating system, E.SUN Bank has established regulations such as the "Guidelines for Model Risk Management", "Management Guidelines for Credit Rating Model and Risk

Measurement", "Operational Instructions for Credit Rating Model Data Management", "Operational Instructions for Credit Rating Model and Risk Measurement", and "Operational Instructions for Credit Rating Model Validation" for relevant units to carry out the management, verification, and risk measurement of credit rating models.

II. Market risk: Evaluate and control the fair value and transaction loss of various financial products, and assess the effectiveness of risk management, providing relevant reports for management decision-making.

III. Asset-liability risk: Establish risk assessment and control mechanisms for on-balance-sheet and off-balance-sheet items affected by price, exchange rate, and interest rate fluctuations, in line with the principles of safety, liquidity, and profitability.

IV. Operational Risk: Regularly review whether business operations comply with the requirements of operational points, continuously track the improvement of internal audit and internal control opinions on various deficiencies, and summarize major operational risk issues and risk exposures for reporting.

5. The risk report provides a process for the Board of Directors and senior management.

The Board of Directors and senior management understand the key risk management data of E.SUN Bank through the quarterly risk management report and grasp the degree of risk exposure and risk situation.

The content of the risk report is as follows:

I. Risk Appetite
II. Capital Adequacy Risk Assessment
III. Credit Risk and Credit Rating Model Overview
IV. Country Risk and Counterparty Risk Exposure
V. Market Risk and Department Overview
VI. Operational Risk and Detection of Business Risk
VII. Wealth Management and Financial Industry Overview
VIII. Concentration Management of All Bank Wealth Management Clients
IX. Money Laundering and Terrorist Financing Risk Assessment Overview
X. Subsidiaries and Overseas Branches Risk Assessment Overview
XI. Climate Change Risk and Environmental Risk Assessment
XII. Information Security Risk Assessment Overview
XIII. Amendments to Risk Management Regulations for the Season

6. **Stress Testing Implementation Method (e.g., Stress Testing Scope, Scenario Selection and Methodology) and Management Application Explanation**
    I. According to the Financial Supervisory Commission's "Bank Stress Testing Operation Regulations" and "Bank Credit Risk Stress Testing Operation Guidelines", the structure and methodology of the bank's stress testing are managed. The scope of stress testing includes the bank's asset positions, covering major risks such as credit risk, market risk, and operational risk.
    II. The bank conducts stress testing annually in accordance with the "Principles for the Supervisory Review of Capital Adequacy of Domestic Banks" and develops its own credit risk internal rating method for stress testing. Through self-designed stress testing scenarios, the bank continuously monitors its resilience to risks and any external changes.
    III. Stress testing scenarios are adjusted dynamically through annual reviews of external political and economic environment changes, and in conjunction with the bank's business nature and risk departments, internal risk ratings are subjected to additional stress.
    IV. The results of stress tests and subsequent measures are reported by the Risk Management Division to the Risk Management Committee and the Board of Directors for implementation.
7. **Strategies and procedures for managing, mitigating, and reducing risks arising from the bank's business model, as well as procedures for ensuring the ongoing effectiveness of risk monitoring, mitigation, and reduction.**

    Taiwan's regulatory authorities require financial institutions to strengthen risk control measures for major risks, with ten major detection aspects, including: capital adequacy, asset quality, management capability, profitability, liquidity, sources of profit, foreign exposure, investment departments, off-balance sheet exposure, and customer disputes. E.SUN Bank has actively identified, monitored, and controlled the aforementioned business risks to establish a sound business risk management system. The risk control and mitigation framework is described as follows:

    I. Identification

        E.SUN Bank identifies and assesses various aspects of major risks in the risk wheelhouse, focusing on internal and external threats and opportunities. Under the risk appetite framework, major risks identified by the bank will be continuously tracked and subjected to stress tests to continuously reflect the changing business environment.

    II. Measurement

        Risk measurement and assessment are conducted for each major risk category and subcategory to ensure the continuous assessment of risks and the effectiveness of related control measures, enabling management to understand the impact of these identified risks. Risk assessment is jointly conducted by business units and the Risk Management Division. Measurement tools used include impact assessment matrices for impact severity and occurrence probability, stress tests, scenario analysis, and more specific measurement models to identify any occurrences exceeding the bank's risk tolerance limits.

III. Risk mitigation methods

E.SUN Bank actively manages identified major risks and adopts preventive, transfer, or mitigation measures according to the defined risk tolerance levels. This includes policy, process, and related internal controls and additional training design and implementation.

IV. Performance in monitoring and reporting risks

E.SUN Bank continuously monitors and identifies major risks. This includes monitoring key indicators by business units, regular monitoring of risk tolerance by the risk management division, and effective inspection activities for risk control. Reports are submitted when necessary.

E.SUN Bank's Risk Management Division is responsible for implementing the risk management policies approved by the Board of Directors, coordinating the overall risk management mechanism, and enhancing risk management awareness throughout the bank. According to E.SUN Bank's "Risk Management Policy", the Risk Management Division should balance and monitor the overall quality of risk management and submit risk control reports to the Board of Directors every quarter. If significant risks are identified that may affect financial or operational conditions or compliance with laws and regulations, appropriate measures should be taken immediately and reported to the Board of Directors. The operating model is described as follows:

I. The Risk Management Division is responsible for formulating and establishing E.SUN Bank's risk management mechanism and ensuring the effectiveness and implementation of risk management in various business units.

II. The Risk Management Division monitors major risks, including but not limited to: asset-liability allocation status for different businesses and risks, risk assessment, risk exposure, and the effectiveness of risk mitigation measures. Regular reports are submitted to the general manager.

B. Key Metrics

The following table highlights E.SUN Bank's key regulatory metrics and ratios, and related input components as defined in "Methods for Calculating Bank's Regulatory Capital and Risk-Weighted Assets" issued by Financial Supervisory Commission. In line with disclosure requirements the Liquidity Coverage Ratio is based on 12 months rolling averages and the other metrics are based on spot information.

	in NT$ thousand(unless stated otherwise)	31.12.2024	30.06.2024	31.12.2023
	Available own funds (amounts)			
1	Common Equity Tier 1 ("CET1") capital	243,429,856	226,788,523	217,450,409
2	Tier1 capital	271,402,055	254,760,722	245,422,608
3	Total capital	319,512,644	303,841,003	292,625,032
	Risk-weighted exposure amounts			
4	Total risk-weighted exposure amount	2,093,907,080	2,027,661,356	1,873,475,646
	Capital ratios (as a percentage of risk-weighted exposure amount)			
5	Common Equity Tier1 ratio (%)	11.63%	11.18%	11.61%
6	Tier1 ratio (%)	12.96%	12.56%	13.10%
7	Total capital ratio (%)	15.26%	14.98%	15.62%
	Combined buffer requirement			
8	Capital conservation buffer (%)	2.5%	2.5%	2.5%
	Leverage ratio			
9	Total exposure measure	4,133,495,271	3,960,506,446	3,713,842,634
10	Leverage ratio	6.57%	6.43%	6.61%
	Liquidity Coverage Ratio			
11	Total high-quality liquid assets ("HQLA")	641,308,732	607,929,591	649,170,701
12	Cash outflows-Total weighted value	1,035,205,421	920,855,580	811,375,305
13	Cash inflows-Total weighted value	508,125,481	404,375,343	359,289,157
14	Total net cash outflows (adjusted value)	526,774,217	516,480,237	452,086,148
15	Liquidity Coverage Ratio ("LCR")(%)	121.74%	117.71%	143.59%
	Net Stable Funding Ratio			
16	Total available stable funding	2,880,749,371	2,810,324,541	2,646,644,827
17	Total required stable funding	2,170,432,882	2,117,491,859	1,933,938,388
18	Net Stable Funding Ratio ("NSFR")(%)	132.73%	132.72%	136.85%

C. Overview of Risk Weighted Exposure Amounts

The table below shows risk-weighted assets broken down by risk types and model approaches compared to the previous half year. It also shows the corresponding minimum capital requirements, which is derived by multiplying the respective RWA by an 8% capital ratio.

		RWAs		Minimum Capital Requirement
	NT$ thousand	31.12.2024	30.06.2024	31.12.2024
1	**Credit risk (excluding counterparty credit risk)**	1,838,743,727	1,804,508,582	147,099,498
2	of which: standardized approach (SA)	1,838,743,727	1,804,508,582	147,099,498
3	of which: internal ratings-based (IRB) approach	NA	NA	
4	**Counterparty credit risk**	34,956,466	33,528,702	2,796,517
5	of which: SA for counterparty credit risk (SA-CCR)	34,956,466	33,528,702	2,796,517
6	of which: internal model method (IMM)	NA	NA	
7	Equity positions under the simple risk-weight approach	NA	NA	
8	Equity investments in funds – look-through approach	NA	NA	
9	Equity investments in funds – mandate-based approach	NA	NA	
10	Equity investments in funds – fallback approach	NA	NA	
11	Equity investments in funds – mixed	NA	NA	
12	**Settlement risk**	0	0	0
13	**Securitization exposures in banking book**	3,801,367	1,589,339	304,109
14	of which: securitization internal ratings-based approach - RBA	NA	NA	
15	of which: securitization internal ratings-based approach - SFA	NA	NA	
16	of which: securitization standardized approach	0	0	0
17	**Market Risk**	103,399,575	86,478,100	8,271,966
18	of which: standardized approach (SA)	103,399,575	86,478,100	8,271,966
19	of which: internal models approach (IMA)	NA	NA	
20	**Operational risk**	105,701,025	94,052,038	8,456,082
21	Of which basic indicator approach	NA	NA	
22	Of which standardized approach	105,701,025	94,052,038	8,456,082
23	Of which advanced measurement approach	NA	NA	
24	**Amounts below thresholds for deduction (250% risk weight)**	7,304,920	7,504,595	584,394
25	**Floor adjustment**	0	0	0
26	**Total**	2,093,907,080	2,027,661,356	167,512,566

D. Leverage Ratio Common Disclosure

The following table shows the leverage ratio exposure and the leverage ratio compared to the previous quarter end.

in NT$ thousand(unless stated otherwise)	31.12.2024	30.09.2024
On-balance sheet exposures (excluding derivatives and SFTs)		
1 On-balance sheet items (excluding derivatives and SFTs)	3,848,678,624	3,759,683,663
2 Asset amounts deducted in determining Tier 1 capital	-11,385,475	-10,830,178
3 Total on-balance sheet exposures (excluding derivatives and SFTs)	3,837,293,149	3,748,853,485
Derivative exposures		
4 Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	13,354,587	5,693,560
5 Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	15,370,633	15,066,797
6 Total derivatives exposures	28,725,220	20,760,357
Securities financing transaction (SFT) exposures		
7 Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	29,266,642	29,546,964
8 (Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
9 Counterparty credit risk exposure for SFT assets	29,718,653	30,630,909
10 Agent transaction exposures	-	-
11 Total securities financing transaction exposures	58,985,295	60,177,873
Other off-balance sheet exposures		
12 Off-balance sheet exposures at gross notional amount	1,488,219,660	1,417,764,759
13 (Adjustments for conversion to credit equivalent amounts)	-1,279,728,053	-1,218,778,119
14 Off-balance sheet exposures	208,491,607	198,986,641
Capital and total exposure measure		
15 Tier 1 capital	271,402,055	265,659,554
16 Total exposure measure	4,133,495,271	4,028,778,356
Leverage ratio		
17 Leverage ratio (in %)	6.57%	6.59%

E. Various Risk Identification and Stress Testing

1. Main risks identification, risk tolerance, and risk mitigation approach

E.SUN Bank has implemented a risk appetite mechanism, approved by the board of directors, that incorporates the three lines of defense framework. This framework takes into consideration both top-down and bottom-up management approaches. Each year, the bank assesses the external political and economic environment to identify potential impacts on the bank's assets and evaluate risks that may arise from stressful scenarios.

The determination of stress scenarios in relation to risk appetite includes scenario analysis and stress testing frameworks. As part of these scenarios, the bank also considers climate change risks as adjustment factors and conduct comprehensive market observations in order to identify major potential risks. This proactive risk management approach is further enhanced through the utilization of stress testing scenarios and internal credit rating models, allowing the bank to carefully assess expected losses.

By establishing risk appetite, continuously monitoring it in real-time, and regularly reporting on it, the bank's board of directors and senior management could have a comprehensive understanding of significant potential risks associated with the bank's operations. This enables them to make informed decisions regarding capital planning.

Table 1 – Main Risk Identification, Risk Tolerance and Mitigation Approach

Unit: NTD$100 million

<table>
<tr><th>Category</th><th>Risk Tolerance</th><th>Risk Mitigation Approach</th></tr>
<tr><td>Credit Risk</td><td>270</td><td rowspan="4">To mitigate the risk of exceeding the established threshold, the bank have implemented measures such as enhanced monitoring, adjusted risk structures, increased capital, and other safeguards to ensure that losses remain within the acceptable range.</td></tr>
<tr><td>Market Risk</td><td>30</td></tr>
<tr><td>Interest Rate Risk in the Banking Book</td><td>90</td></tr>
<tr><td>Operational Risk</td><td>45</td></tr>
</table>

2. Stress testing and sensitivity analysis

E.SUN Bank regularly conducts sensitivity analysis and stress testing on credit risk, financial risk, and non-financial risk to evaluate the effectiveness of its risk management mechanisms and assess its risk tolerance.

I. In terms of credit risk, E.SUN Bank conducts stress testing on credit exposures referring to parametric factors such as industry default rates and business finance ratios given by the JCIC (Joint Credit Information Center). Additionally, the bank utilizes stress testing scenarios published by regulatory authorities to calculate potential losses in mild and severe scenarios.

II. In relation to financial risk, E.SUN Bank reviews market risk factors, including interest rates and equity securities prices, based on specific stress testing scenarios. For example, an increase of 150 basis point in the yield curve would result in a $538 million decrease in trading book value, while a 15% increase in equity securities prices would result in a $633 million increase in trading book value.

III. Regarding non-financial risk, E.SUN Bank analyzes the impact of operational risk in scenarios involving customer deposit embezzlement fraud.

The stress testing results indicate that E.SUN Bank's capital adequacy ratio, Tier 1 capital ratio, common equity tier 1 ratio, and leverage ratio all meet regulatory requirements.

F. Credit Risk Management

1. How business models are translated into components of the bank's credit risk profile

When E.SUN Bank engages in credit business, it adheres to the bank's credit policy and establishes a comprehensive framework for credit risk identification, measurement, monitoring, and reporting based on pre-, during, and post-risk management structures and systems. Business units regularly provide credit risk management reports according to product types, and management reports are generated for control purposes, including credit risk limits, risk exposures, post-lending management, and asset quality. These reports are submitted to higher management levels. The Risk Management Division submits credit risk reports to the Board of Directors and the Risk Management Committee every quarter to evaluate the bank's credit risk concentration and risk-taking capacity and to formulate necessary policy adjustments. For each new type of business or product development, relevant business personnel and senior management fully understand the credit risks involved and ensure that effective management is in place through sound systems and regulations.

2. Defining credit risk management policies and setting credit risk limit standards and methods

Credit risk is the risk of loss due to the issuer, counterparty, and debtor's inability to fulfill their obligations or changes in their credit quality including both on- and off-balance sheet exposures. That is, the scope of credit risk management policies includes the authorization, framework, process, and operational content related to credit risk management, credit measurement and classification, credit portfolio management principles and procedures, credit review and monitoring, handling of problem credit assets, and management of changes during major financial market fluctuations. In order to effectively identify, measure, monitor, and control the credit risks faced by various businesses of E.SUN Bank, enhance the consistency, stability, and transparency of E.SUN Bank's credit risk measurement, and align with E.SUN Bank's overall business strategy and objectives, E.SUN Bank has established the "General Principles of Credit Risk Management" as a reference.

E.SUN Bank's credit risk limit mechanism takes into account capital adequacy ratios, stress scenarios, and business development strategies. Through stress testing, the potential risks of major products are measured and risk appetite is set to control and meet risk management and business development needs. At the same time, E.SUN Bank sets appropriate credit risk limits, limit approval levels, and excess handling procedures based on factors such as capital, risk appetite, business objectives and strategies, counterparty default probability, default loss rate, and default risk exposure, and reviews their appropriateness annually.

3. **Structure and organization of credit risk management and control functions**

   In the development of various businesses, E.SUN Bank consistently adheres to the principle of "no business can override risk." E.SUN Bank's main four business divisions including consumer banking, corporate banking, treasury, credit card and payment finance division have all established risk management departments that are responsible for direct management of risk operations.

   To integrate and promote the establishment and operation of various risk management mechanisms in E.SUN Bank, the Risk Management Division is responsible for formulating risk management policies and principles for each business unit to follow and monitoring and coordinating the operation of risk management mechanisms in each business unit. In addition, guidelines under the rule of Basel Capital Accord have been used as a basis in formulating rules and procedures that are intended to ensure an appropriate risk appetite, risk reporting lines, and capital adequacy. The aforementioned reports are reviewed regularly and reported to the Board of Directors and Risk Management Committee as foundations for adjustment for risk management related policies and operational strategies.

   For major credit risk proposals in E.SUN Bank, a Credit Review Committee is also responsible for reviewing and discussing them. In addition, the Risk Management Division formulates risk management policies and principles, is responsible for measuring and monitoring the overall risk management quality of E.SUN Bank, and regularly reports to the Board of Directors and the Risk Management Committee.

4. **The relationship between credit risk management, risk control, regulatory compliance, and internal audit functions**

   E.SUN Bank follows the principle of "three lines of defense" in implementing risk management. The first line of defense is the risk management department under the business unit, which is responsible for setting standards, operating procedures, and limits for each business unit, controlling daily risks, monitoring indicators to confirm the daily risk acceptance, and regularly reporting to the Risk Management Committee. The second line of defense is the Risk Management Division, which monitors overall risks and ensures that E.SUN Bank's operations comply with the regulations set by the regulatory authorities. The third line of defense is the Audit Department, which is responsible for conducting internal audits and regularly reporting the results to the Audit Committee.

5. **The scope and main content of reporting credit risk exposures and credit risk management functions to the Board of Directors and management level**

I. Credit risk exposure management: E.SUN Bank reports risk management to the Board of Directors and the Risk Management Committee every quarter, including country risk, counterparty credit risk, large exposure risk, industry concentration, single legal entity and group accounts, etc., to enable the Board of Directors and management level to timely and fully understand the key risk management data and grasp the risk situation.

The content of the risk report is as follows:

(1) Risk appetite
(2) Credit risk overview
(3) Market risk and position overview
(4) Asset-liability and capital adequacy assessment
(5) Key risk management data analysis
(6) National risk and counterparty exposure
(7) Operational risk overview

II. Credit risk management system: including risk management policies, risk management framework, risk appetite policies, and other bank-wide risk strategy issues and major credit approval cases.

6. E.SUN Bank's use of on- and off-balance sheet netting policies and procedures, core characteristics, and the degree of operation

Not applicable.

7. Main features of collateral valuation and management policies and procedures

I. The valuation unit operates under headquarter, which independently evaluates the collateral with a fair and practical approach, implementing a system of valuation and credit authorization specialization.

II. Under the premise of adhering to E.SUN Bank's policies, the valuation business participates in the formulation of valuation techniques, appraisal standards, and valuation-related regulations. In addition, to effectively exert management functions, regular management reports are provided; a summary of real estate market trends and analysis reports are supplied for various business units to reference.

8. Market or credit risk concentration information of credit risk mitigation tools (e.g., by type of guarantor, collateral, and credit derivative provider)

The current use of credit risk mitigation tools in E.SUN Bank is based on the relevant regulations of the Basel Framework on risk mitigation tools to calculate the exposure after credit risk mitigation.

The main items currently used include: collateral provided by counterparties or third parties and third-party guarantees. The main types of guarantors are small and medium-sized enterprise credit guarantees, and the main types of collateral are cash, deposits, and stocks.

Table 2 Standardized approach – Credit risk exposure and CRM effects

The table below shows the credit risk exposure before and post credit conversion factors and credit risk mitigation obtained in the form of eligible financial collateral, guarantees and credit derivatives based on the EAD in the standardized approach as well as related RWA and average risk weights broken down by regulatory exposure classes and a split into on- and off-balance sheet exposures.

31.12.2024

in NT$ thousand; % (unless stated otherwise)	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
Exposure classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1 Central governments	314,267,135	0	314,267,135	0	511,541	0.16%
2 Regional government or local authorities PSE	10,891,317	298,359	10,891,317	0	1,521,930	13.97%
3 Bank (including multilateral development banks and CCP)	402,495,234	34,443,504	402,495,234	855,369	145,262,343	36.01%
4 Corporates (including security and insurance companies)	669,718,363	654,203,965	610,368,819	58,929,598	594,101,692	88.76%
5 Retail	290,773,156	693,233,869	273,792,486	7,803,962	189,420,530	67.27%
6 Secured by mortgages on immovable property	1,527,977,310	106,036,652	1,521,301,971	4,182,958	797,029,925	52.25%
7 Equity	38,985,029		38,985,029		67,548,758	173.27%
8 Collective investments undertakings (CIU)	0	0	0	0	0	0%
9 Other items	67,227,958		67,227,958	0	50,651,928	75.34%
10 Total	**3,322,335,502**	**1,488,216,349**	**3,239,329,948**	**71,771,886**	**1,846,048,647**	**55.75%**

30.06.2024

in NT$ thousand; % (unless stated otherwise)	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
Exposure classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1 Central governments	266,570,367	0	266,570,367	0	697,630	0.26%
2 Regional government or local authorities PSE	7,541,070	305,642	7,541,070	-527	1,357,562	18.00%
3 Bank (including multilateral development banks and CCP)	405,184,339	33,715,479	405,184,339	933,492	167,024,258	41.13%
4 Corporates (including security and insurance companies)	642,497,078	609,990,591	585,694,695	53,121,123	553,732,245	86.68%
5 Retail	308,631,389	678,066,828	292,384,821	7,414,398	201,939,580	67.36%
6 Secured by mortgages on immovable property	1,479,499,202	105,912,266	1,475,225,532	4,720,589	767,117,683	51.83%
7 Equity	40,755,893	0	40,755,893	0	67,466,011	165.54%
8 Collective investments undertakings (CIU)	0	0	0	0	0	0%
9 Other items	69,288,938	0	69,288,938	0	52,678,208	76.03%
10 Total	**3,219,968,276**	**1,427,990,806**	**3,142,645,654**	**66,189,075**	**1,812,013,177**	**56.47%**

The RWA for credit risk (excluding CCR) in the standardized approach were at NT$ 1,846 billion as of December 31, 2024, increase by 1.88% compared to June 30, 2024. The increase in RWA is a normal consequence of business growth leading to expanded exposure.

In the following tables, the EAD per regulatory exposure class are assigned to their standardized risk weights. The exposures are shown after the shift to the exposure class of the protection seller, if applicable.

Table 3 Standardized approach

31.12.2024

	Exposure classes/Risk Weight	0%	2%	4%	10%	20%	35%	50%
1	Central governments	313,418,632	0	0	0	421,202	0	0
2	Regional government or local authorities PSE	3,308,470	0	0	0	7,574,915	0	1,971
3	Bank (including multilateral development banks	22,959,727	0	0	0	161,654,001	0	211,610,665
4	Corporates (including security and insurance	2,895,470	0	0	0	46,692,377	0	71,420,981
5	Retail	0	0	0	0	46,182,322	0	10,372
6	Secured by mortgages on immovable property		0	0	0		0	
7	Equity		0	0	0	0	0	0
8	Collective investments undertakings (CIU)	0	0	0	0	0	0	0
9	Other items	20,935,902	0	0	0	28,850	0	0
10	Total	**363,518,201**	**0**	**0**	**0**	**262,553,667**	**0**	**283,043,989**

31.12.2024

	Exposure classes/Risk Weight	75%	100%	150%	250%	Residential	Commercial	ADC	Exposures post-CCF and CRM
1	Central governments	0	427,301	0	0				314,267,135
2	Regional government or local authorities PSE	0	5,961	0	0				10,891,317
3	Bank (including multilateral development banks		7,126,210	0	0				403,350,603
4	Corporates (including security and insurance	0	546,763,314	1,526,274	0				669,298,416
5	Retail	220,976,338	14,388,993	38,422	0				281,596,447
6	Secured by mortgages on immovable property	0		0	0	1,012,014,690	425,122,088	88,348,151	1,525,484,929
7	Equity	0	19,942,543	0	19,042,486				38,985,029
8	Collective investments undertakings (CIU)	0	0	0	0				0
9	Other items	0	43,341,238	0	2,921,968				67,227,958
10	Total	**220,976,338**	**631,995,560**	**1,564,696**	**21,964,454**	**1,012,014,690**	**425,122,088**	**88,348,151**	**3,311,101,834**

30.06.2024

	Exposure classes/Risk Weight	0%	2%	4%	10%	20%	35%	50%
1	Central governments	265,549,209	0	0	0	404,410	0	0
2	Regional government or local authorities PSE	802,425	0	0	0	6,724,476	0	1,952
3	Bank (including multilateral development banks	16,083,268	0	0	0	109,988,919	0	270,038,341
4	Corporates (including security and insurance	3,940,640	0	0	0	54,247,772	0	76,789,309
5	Retail	0	0	0	0	49,745,333	0	22,500
6	Secured by mortgages on immovable property		0	0	0	0	0	0
7	Equity		0	0	0	0	0	0
8	Collective investments undertakings (CIU)	0	0	0	0	0	0	0
9	Other items	21,111,087	0	0	0	3,000	0	0
10	Total	**307,486,629**	**0**	**0**	**0**	**221,113,910**	**0**	**346,852,102**

30.06.2024

	Exposure classes/Risk Weight	75%	100%	150%	250%	Residential	Commercial	ADC	Exposures post-CCF and CRM
1	Central governments	0	616,748	0	0				266,570,367
2	Regional government or local authorities PSE	0	11,690	0	0				7,540,543
3	Bank (including multilateral development banks		10,007,303	0	0				406,117,831
4	Corporates (including security and insurance	0	502,538,219	1,299,877	0				638,815,817
5	Retail	232,250,499	17,759,884	21,003	0				299,799,219
6	Secured by mortgages on immovable property	0		0	0	984,583,650	415,774,311	79,588,160	1,479,946,121
7	Equity	0	22,949,148	0	17,806,745				40,755,893
8	Collective investments undertakings (CIU)	0	0	0	0				0
9	Other items	0	45,173,013	0	3,001,838				69,288,938
10	Total	**232,250,499**	**599,056,005**	**1,320,880**	**20,808,583**	**984,583,650**	**415,774,311**	**79,588,160**	**3,208,834,729**

G. Counterparty Credit Risk Management

1. A limit method based on capital is set for counterparties and central counterparties

The limits of counterparty risk for financial institutions in this bank are determined based on the credit ratings of various financial institutions assessed by the bank's net value, eligible external credit rating agencies, external credit information, overall economic environment, the bank's business strategy, and risk-bearing capacity. The control principles are as follows:

I. Actively establish a management mechanism for measuring counterparty risk in financial institutions to measure, monitor, and control counterparty risk.

II. Adhere to the principle of risk diversification for financial institution risk exposure, avoiding excessive exposure to a specific financial institution counterparty.

III. The assessment of financial institution risk limits adopts a prudent and healthy principle and complies with relevant regulations of the supervisory authorities.

2. Policies on collateral and other risk mitigation and assessment of counterparty risk (including central counterparty risk)

I. Regarding collateral and other risk mitigation

E.SUN Bank signs CSA/VM CSA with counterparties, and according to the agreed threshold value and collateral, once either party's loss reaches the agreed threshold value, margin call will be received, and the agreed collateral must be provided to maintain the transaction, otherwise, the related transaction will be terminated. For transactions with a central counterparty, the transaction will be settled by an independent settlement institution and risk transfer will be carried out.

II. Policies for assessing counterparty risk

E.SUN Bank has established the "Policy on National Risk and Financial Institution Risk Management". When the used amount of a single financial institution counterparty reaches the warning value of the risk limit, the Risk Management Division will notify the relevant business units to pay attention to future developments to avoid exceeding the limit.

When the risk limit is exceeded, the using units must stop new undertaking for the financial institution and reduce the used amount to comply with the limit regulations. In addition, due to business needs, subsidiary in mainland area and oversea branches also have relevant regulations.

3. **Policy on wrong-way risk management**

   Wrong-way risk refers to the risk arising from the positive correlation between the default probability of counterparty and market risk factors. E.SUN Bank currently uses cash and government bonds as collateral for derivative products to avoid wrong-way risk caused by the correlation between collateral value and counterparty credit.

4. **When the bank's credit rating is downgraded, the bank needs to provide additional collateral to mitigate the impact.**

   According to the LCR calculation method issued by the regulatory authority, when the "liquidity requirements of financing transactions, derivatives, and other contracts (additional collateral required due to a credit rating downgrade of 3 levels)" increases (E.SUN Bank's credit rating is downgraded or the exposure to other counterparties increases in that month), the "cash outflows from derivatives transactions" will increase, and the overall cash outflows of E.SUN Bank will also increase. Assuming the high-quality liquid assets and cash inflows remain unchanged, this will result in an increase in net cash outflows (LCR numerator) and a decrease in the overall LCR ratio. E.SUN Bank's current LCR meets the regulatory requirements, indicating that the impact of this item on E.SUN Bank is low, and the overall liquidity risk of the bank is acceptable.

Table 4 - Analysis of CCR Exposure by Approach

The following table shows the methods used for calculating the regulatory requirements for CCR exposure including the main parameter for the method.

31.12.2024

in NT$ thousand (unless stated otherwise)	Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value post-CRM	RWA
1 SA-CCR (for derivatives)	10,788,096	17,507,306		1.4	39,583,703	22,881,750
2 IMM (for derivatives and SFTs)	NA	NA	0	0	0	0
3 Financial collateral simple method (for SFTs)	NA	NA	NA	NA	NA	NA
4 Financial collateral comprehensive method (for SFTs)	NA	NA	NA	NA	4,662,036	933,526
5 IMM(VaR for SFTs)	NA	NA	NA	NA		
6 Total						**23,815,275**

Table 5 - Standardized approach – CCR exposures by regulatory exposure class and risk weights

The following table provides the counterparty credit risk exposures in the standardized approach broken down by risk weights and regulatory exposure classes.

31.12.2024

	Exposure classes/Risk Weight	0%	2%	4%	10%	20%	50%
1	Central governments	358,337	0	0	0	0	0
2	Regional government or local authorities PSE	0	0	0	0	9,053	0
3	Bank (including multilateral development banks and CCP)	2,951,461	4,075,121	0	0	13,194,721	4,509,135
4	Corporates (including security and insurance companies)	0	0	0	0	0	12,496,158
5	Retail	0	0	0	0	0	0
6	Other items	0	0	0	0	0	0
7	Total	**3,309,798**	**4,075,121**	**0**	**0**	**13,203,774**	**17,005,293**

	Exposure classes/Risk Weight	75%	100%	150%	1250%	Total
1	Central governments	0	0	0	0	**358,337**
2	Regional government or local authorities PSE	0	0	0	0	**9,053**
3	Bank (including multilateral development banks and CCP)	0	168,554	0	0	**24,898,992**
4	Corporates (including security and insurance companies)	0	12,394,245	0	0	**24,890,403**
5	Retail	0	109,075	0	0	**109,075**
6	Other items	0	0	0	0	**0**
7	Total	**0**	**12,671,875**	**0**	**0**	**50,265,860**

H. Operational Risk Management

1. Operational risk management strategy and process

Operational risk arises from internal operations, personnel, and system failures or errors, or external events causing losses to the bank. E.SUN Bank prevents internal operational risks by establishing a sound operational system, cultivating risk awareness among all employees, promoting a corporate culture of compliance and discipline, and ensuring the effectiveness of internal control systems through a three-line defense mechanism. The first line of defense is the responsibility of each unit to manage the risks generated by their daily operations and to design and implement effective internal control procedures to cover all related business activities. The second line of defense is the independent function and unit other than the first and third lines of defense, including risk management, legal compliance, and other professional units, which assist and supervise the first line of defense in identifying and managing risks and are responsible for the overall risk management policy of the bank. The third line of defense is internal audit, which assists the Board of Directors and management in evaluating and auditing the effectiveness and efficiency of operations and the effectiveness of the first and second lines of defense in risk control and compliance. In addition to continuous on-the-job training, various standards are set as a reference for the implementation of various tasks to prevent operational risks. For external event risks, the bank continuously maintains sensitivity to market environment, customer behavior, technological innovation, and regulatory changes to grasp the opportunities for change.

E.SUN Bank manages operational risks through tools such as “Risk and Control self-assessment”, “Key Risk Indicators”, and “Operational Risk Event Collection”, implementing business process analysis, identification, evaluation, response, and monitoring of operational risks to understand the overall operational risk situation of the bank and to improve the higher potential operational risks.

Before launching innovative products or services, E.SUN Bank has established “Guideline of (New) Product Service Compliance Risk Assessment Procedure” for each business unit to evaluate all potential risks, such as market risk, liquidity risk, credit risk, operational risk and emerging risk, to further devise or use existing relevant control mechanisms. Risk Management Division and the Compliance Division will jointly review the new products and services to ensure that they have complied with internal and external laws and regulations and the risks are controllable before providing them to customers. In the cases of product or service adjustment or refinement where compliance, internal control or risk management is likely to be affected, risk assessment must also be conducted.

2. **Operational risk management organization and structure**

   The Board of Directors is the highest decision-making unit for operational risk management. Based on the overall business strategy and operating environment, it establishes operational risk management standards, operational risk tolerance, and major decisions, promoting consistency, customer orientation, integrity, and transparency of operational risk management across the bank, in line with overall business strategy and objectives. The Risk Management Division is responsible for designing and implementing operational risk management mechanisms, formulating and amending relevant standards, and supervising the execution of operational risk management by various business units, providing improvement suggestions, and integrating operational risk management information across the bank, reporting to the Board of Directors. Business units establish operational manuals and guidelines for various tasks, and appropriately manage and supervise the necessary operational risk management work of each business unit. Business units follow the guidelines set by the business units, cooperate with the business units to identify various operational risks faced by the business units, and carry out necessary operational risk management work according to the bank's regulations. The independent audit division under the Board of Directors periodically evaluates and verifies the effectiveness of operational risk management of various units of E.SUN Bank.

3. **Scope and highlights of operational risk reporting and measurement systems**

   E.SUN Bank conducts regular risk and control self-assessment (RCSA), classifying potential operational risks from minor to severe, and formulating action plans for response and improvement. In addition, Key Risk Indicators are used to monitor changes in operational risks and provide early warning capabilities. Each indicator has a threshold value as a reference for whether to adopt response measures. For operational risk event collection, E.SUN Bank continuously collects and analyzes Operational Risk Events according to eight major business categories and seven major loss types, and formulates corresponding action plans for continuous control. The overall operational risk management department regularly discloses the overall operational risk monitoring situation, consolidates operational risk information across the bank, and reports other major related issues to senior management, the Risk Management Committee, and the Board of Directors.

4. **Policies for operational risk avoidance or risk reduction, as well as strategies and processes for continuous effectiveness of risk avoidance and risk reduction tools**

   Branches' daily operations are covered by comprehensive insurance, including cash at business premises, cash in transit, cash in automated equipment, equipment and property at business workplace, and employee fidelity insurance.

Through insurance and outsourcing, some operational risks are transferred.

5. Methods adopted for capital calculation

Standard method.

Table 6 - Operational risk own funds requirements and risk-weighted exposure amounts – basic indicator approach (BIA) and standardized approach

in NT$ thousand		31.12.2024
Year	**Gross profit**	**Own funds requirements**
2024	68,999,821	
2023	60,520,393	
2022	50,300,409	
Total	**179,820,623**	**8,456,082**

I. Market Risk Management

1. Market risk management strategy and process

To avoid huge risks caused by the fluctuations and correlations of various prices such as rights, products, interest rates, and exchange rates, any financial product transactions must implement and follow E.SUN Bank's "Market Risk Management Guidelines", "Financial Transaction Business Authority Guidelines", and "Derivative Financial Product Management Strategy and Operational Guidelines", and the Value at risk (VaR) is calculated according to the definition of the Bank for International Settlements (BIS) to control the changes in the bank’s market risk.

E.SUN Bank obtains credit protection or enhancement by collecting collateral or signing a netting agreement, thereby reducing counterparty risk. For standardized and highly liquid derivative financial products, central clearing counterparty (CCP) will be adopted to reduce counterparty risk and capital requirements.

2. Market risk management organization and structure

E.SUN Bank establishes "Market Risk Management Guidelines". The Risk Management Division is responsible for the risk management of various financial products, the assessment of their fair values, and the limit control of market risk, and regularly reports to the Board of Directors and the Risk Management Committee the overview of market risk positions, the result of stress test and market risk limit control situations. Through the above control methods, E.SUN Bank's market risk management scope will be more comprehensive.

3. Scope and features of market risk reporting and measuring systems

In terms of market risk control, E.SUN Bank uses systems such as Kondor+, MUREX, and Numerix, as well as data from Reuters, Bloomberg, and ICE databases to grasp market information of trading positions and conduct real-time assessment, while monitoring the Value at risk (VaR) of the entire bank's transactions and investment positions. In various aspects of market risk management, the MLC system is used for timely control, taking market fluctuations into account and accurately evaluate market risks and market risk limit situations.

Table 7 - Market risk under Standardized Approach

		31.12.2024
in NT$ thousand		RWA
	Outright products	
1	Interest rate risk (general and specific)	86,896,313
2	Equity risk (general and specific)	9,510,363
3	Foreign exchange risk	4,564,250
4	Commodity risk	0
	Options	
5	Simplified approach	2,139,200
6	Delta-plus method	289,450
7	Scenario approach	0
8	Securitization (specific risk)	0
9	Total	**103,399,575**

J. Interest Rate Risk in the Banking Book Management

1. Interest rate risk in the banking book management strategy and process

E.SUN bank has established a "Risk Management Policy", "Asset Liability Management Policy", and "Interest Rate Risk Management Key Points" to regulate the structure and methods of interest rate risk management in banking book.

The "Risk Management Policy" and "Asset Liability Management Policy" are approved by the Board of Directors and are regularly reviewed and revised, serving as the basis for the implementation of related management by each units.

The "Key Points of Interest Rate Risk Management" elaborate on the methods for measuring interest rate risk, monitoring, and related risk reporting, serving as the basis for controlling interest rate risk in banking book.

2. Interest rate risk in the banking book management organization and structure

The Risk Management Division is responsible for the evaluation, supervision, and related limit control of interest rate risk, and directly reports to the Risk Management Committee and the Board of Directors.

3. The scope, feature, and frequency of interest rate risk in the banking book report/evaluation systems

The bank adopts the ALM asset and liability management system to evaluate the changes in interest rate sensitivity of internal and external assets and liabilities, considering revaluation risk, yield curve risk, and basis risk, and evaluates the changes in economic value and gap analysis after the impact of interest rate fluctuations on assets and liabilities every month. The evaluation results are reported to the Risk Management Committee and the Board of Directors every quarter.

4. Policies for avoiding/mitigating interest rate risk in the banking book, and strategies and processes for continuously ensuring the effectiveness of risk avoidance/mitigation tools

The evaluation results of interest rate risk in the banking book are reported to the Risk Management Committee, Asset and Liability Management Committee, and the Board of Directors, serving as a reference for related strategies.

K. Liquidity Risk Management

1. Liquidity risk management strategy and process

E.SUN Bank has established a “Risk Management Policy”, “Liquidity Risk Management Policy”, and “Key Points of Liquidity Risk Management” to regulate the structure and methods of liquidity risk management.

The “Risk Management Policy” and “Liquidity Risk Management Policy” are approved by the Board of Directors and reviewed and revised periodically, serving as the basis for the implementation of related management by various units.

The “Key Points of Liquidity Risk Management” set the early warning indicators and implementation and supervision of liquidity risk, serving as the basis for E.SUN Bank's control of liquidity risk.

2. Liquidity risk management organization and structure

The Treasury Division is the executing unit for E.SUN Bank's liquidity risk management and is required to report the implementation of liquidity risk management to the Asset and Liability Management Committee every quarter; the Risk Management Division is the independent supervisory unit for E.SUN Bank's liquidity risk management, responsible for the overall liquidity risk management work, including liquidity risk measurement, supervision, and control, and directly reports the implementation and improvement suggestions to the Risk Management Committee and the Board of Directors.

3. Scope and features of liquidity risk reporting and balance system

E.SUN Bank uses the ALM Asset and Liability Management System to assess the liquidity gap of various maturities within the balance sheet, and sets stress scenarios for liquidity risk measurement. Relevant monitoring reports are produced monthly for review by senior management, and the assessment results are reported quarterly to the Risk Management Committee, Asset and Liability Management Committee, and the Board of Directors.

4. Funding strategy, including policies on funding sources and maturity dispersion, as well as centralized or decentralized funding strategies

I. The sources of funds for E.SUN Bank should be diversified, with stability and reliability as the primary considerations, and excessive reliance on specific sources of funds should be avoided.

II. The uses of funds for E.SUN Bank should be diversified, adhering to the principles of risk diversification for lending targets, investment targets, and maturity dates, ensuring appropriate liquidity.

III. The estimation of cash inflows and outflows should adopt a conservative principle to test E.SUN Bank's liquidity support capacity under the worst conditions.

IV. Liquidity management should comply with the regulations of the competent authorities regarding the holding of liquid assets.

V. Establish liquidity risk warning indicators such as liquidity coverage ratio, foreign currency deposit ratio, the proportion of New Taiwan dollar deposits of a single borrower to total New Taiwan dollar deposits, New Taiwan dollar and US dollar maturity gaps, LCR, NSFR, etc., to ensure the adequacy of liquid assets, diversified sources of funds, and the requirements of fund maturity dispersion.

VI. The capital requirements of each unit are centrally managed by the Treasury Department of E.SUN Bank. Overseas branches manage their own capital according to local regulations and business needs, and the head office also provides capital support.

5. Continuously effective strategies and processes for liquidity risk avoidance or risk mitigation, as well as monitoring rules and risk mitigation tools.

The results of E.SUN Bank's liquidity risk assessment are reported to the Risk Management Committee, Asset and Liability Management Committee, and the Board of Directors as a reference for related strategies.

6. Explanation of stress testing implementation

E.SUN Bank's liquidity risk stress testing targets the bank's overall assets and liabilities, estimating the liquidity loss rate/discount rate under various scenarios; and under the specific event risk, overall market environment risk, and scenario simulation of individual institutions, estimating the cash flow generated by the bank under various situations.

7. Overview of the Contingency Plan for Liquidity Crisis

I. Define short, medium, and long-term liquidity risk and establish early warning indicators for assessment.

II. Monitor timely warning indicators, set activation procedures, and initiate contingency plans based on short, medium, and long-term liquidity issues.

III. Establish a liquidity response team and define their responsibilities.

IV. Execution content of short, medium, and long-term contingency plans.

V. Management of exceptions in the implementation of contingency plans.

Table 8 - Liquidity Coverage Ratio Disclosure

		31.12.2024		30.09.2024	
		Total unweighted value	Total weighted value	Total unweighted value	Total weighted value
High-quality liquid assets					
1	Total high-quality liquid assets (HQLA)	673,906,871	641,308,732	584,056,121	550,315,585
Cash-outflows					
2	Retail deposits and deposits from small business costumers	2,038,436,205	136,253,566	1,997,225,865	132,558,530
	of which:				
3	Stable deposits	1,000,994,921	32,509,438	993,820,579	32,218,002
4	Less stable deposits	1,037,441,284	103,744,128	1,003,405,286	100,340,529
5	Unsecured wholesale funding	1,195,235,026	574,448,826	1,109,850,879	517,419,054
	of which:				
6	Operational deposits (all	0	0	0	0
7	Non-operational deposits (all counterparties)	1,034,643,667	413,857,467	987,386,375	394,954,550
8	Unsecured debt	160,591,360	160,591,360	122,464,504	122,464,504
9	Secured wholesale funding	7,559,850	984,142	3,061,813	726,452
10	Additional requirements	1,047,112,292	323,518,886	1,017,403,725	331,861,172
	of which:				
11	Outflows related to derivative exposures and other collateral requirements	243,926,083	243,926,083	251,812,556	251,812,556
12	Outflows related to loss of funding on debt products	0	0	0	0
13	Credit and liquidity facilities	703,071,022	64,602,127	666,235,933	59,586,302
14	Other contractual funding obligations	12,856,107	12,856,107	18,426,966	18,426,966
15	Other contingent funding obligations	87,259,080	2,134,569	80,928,269	2,035,347
16	Total cash outflows	4,288,343,373	1,035,205,421	4,127,542,281	982,565,207
Cash - inflows					
17	Secured lending	28,043,372	25,242,206	33,823,794	29,075,595
18	Inflows from fully performing exposures	199,444,020	151,644,432	202,368,481	156,105,240
19	Other cash inflows	331,238,843	331,238,843	343,128,556	343,128,556
20	Total cash inflows	558,726,235	508,125,481	579,320,831	528,309,391
Total adjusted value			adjusted value		**adjusted value**
21	Total high-quality liquid assets (HQLA)		641,308,732		550,315,585
22	Total net cash outflows		526,774,217		454,255,816
23	Liquidity coverage ratio (%)		121.74%		121.15%

Table 9 - Net Stable Funding Ratio

in NT$ thousand		31.12.2024				
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
Available stable funding (ASF) Items						
1	Capital items and instruments:	311,037,258	0	0	18,998,240	330,035,498
2	Own funds	311,037,258	0	0	16,334,024	327,371,282
3	Other capital instruments	0	0	0	2,664,216	2,664,216
4	Retail deposits:	1,168,603,181	530,142,557	322,701,649	25,399,847	1,893,694,477
5	Stable deposits	632,838,148	166,694,126	180,307,355	19,523,602	950,371,249
6	Less stable deposits	535,765,034	363,448,431	142,394,294	5,876,245	943,323,228
7	Wholesale funding:	330,162,310	621,660,594	174,932,432	5,838,713	612,360,594
8	Operational deposits	0	0	0	0	0
9	Other wholesale funding	330,162,310	621,660,594	174,932,432	5,838,713	612,360,594
10	Interdependent liabilities	0	0		0	0
11	Other liabilities:	124,373,498	229,799,803	53,733,603	11,834,914	44,658,802
12	NSFR derivative liabilities	-			-	-
13	All others	124,373,498	229,799,803	53,733,603	11,834,914	44,658,802
14	Total available stable funding (ASF)					**2,880,749,371**
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					106,644,460
16	Deposits held at other financial institutions for operational purposes	0	0	0	0	0
17	Performing loans and securities:	4,152,938	641,724,469	211,093,980	2,014,469,202	1,902,116,173
18	Performing securities financing transactions with financial customers	-	-	-	-	-
19	Performing securities financing transaction with financial customers collateralized by other assets and loans and advances to financial institutions	-	176,134,433	12,442,593	23,645,886	56,287,348
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs,	-	344,656,420	170,022,700	302,234,371	514,158,649
	of which:					
21	With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk	-	22,823	23,896	400,629	283,768
22	Performing residential mortgages,	-	11,201,992	11,796,240	1,393,581,927	1,014,102,178
	of which:					
23	With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk	-	6,797,139	7,319,787	909,707,882	598,368,587
24	Other loans and securities that are not default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products	4,152,938	109,731,625	16,832,448	295,007,017	317,567,998
25	Interdependent assets	-	-	-	-	-
26	Other assets:	73,870,186	89,585,729	26,406,100	46,172,291	124,391,481
27	Physical traded commodities	-	-	-	-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs				3,441,679	2,925,427
29	NSFR derivative assets				14,041,207	14,041,207
30	20% of derivative liability				3,216,376	3,216,376
31	All other assets not included in the above categories	53,170,924	89,585,729	26,406,100	46,172,291	104,208,470
32	Off-balance sheet items				790,085,025	37,280,768
33	Total required stable funding (RSF)					**2,170,432,882**
34	Net Stable Funding Ratio (%)					**132.73%**

in NT$ thousand		30.09.2024				
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
Available stable funding (ASF) Items						
1	Capital items and instruments:	304,878,750	0	0	21,578,411	326,457,161
2	Own funds	304,878,750	0	0	19,042,721	323,921,471
3	Other capital instruments	0	0	0	2,535,690	2,535,690
4	Retail deposits:	1,148,234,690	520,651,794	310,799,422	26,062,952	1,856,399,163
5	Stable deposits	630,586,981	164,772,815	177,018,101	19,802,628	943,561,631
6	Less stable deposits	517,647,709	355,878,979	133,781,320	6,260,324	912,837,532
7	Wholesale funding:	324,932,664	603,989,965	154,069,050	7,647,365	591,806,342
8	Operational deposits	0	0	0	0	0
9	Other wholesale funding	324,932,664	603,989,965	154,069,050	7,647,365	591,806,342
10	Interdependent liabilities	0	0	0	0	0
11	Other liabilities:	144,474,650	199,925,929	47,845,653	13,048,751	47,156,276
12	NSFR derivative liabilities	-			-	-
13	All others	144,474,650	199,925,929	47,845,653	13,048,751	47,156,276
14	Total available stable funding (ASF)					**2,821,818,941**
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					108,570,696
16	Deposits held at other financial institutions for operational purposes	0	0	0	0	0
17	Performing loans and securities:	4,180,558	649,338,659	217,847,660	1,979,342,067	1,872,922,671
18	Performing securities financing transactions with financial customers	-	-	-	-	-
19	Performing securities financing transaction with financial customers collateralized by other assets and loans and advances to financial institutions	-	198,168,175	15,633,193	25,737,642	63,279,465
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs,	-	342,488,122	165,370,748	294,866,498	504,483,367
	of which:					
21	With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk	-	18,564	19,653	412,960	287,532
22	Performing residential mortgages,	-	10,917,221	12,052,858	1,370,214,983	995,083,862
	of which:					
23	With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk	-	6,813,949	7,228,814	905,419,568	595,544,101
24	Other loans and securities that are not default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products	4,180,558	97,765,141	24,790,861	288,522,943	310,075,978
25	Interdependent assets	-	-	-	-	-
26	Other assets:	96,974,952	82,889,337	40,250,124	48,441,428	123,450,574
27	Physical traded commodities	-	-	-	-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs				2,838,885	2,413,052
29	NSFR derivative assets				7,997,170	7,997,170
30	20% of derivative liability				3,046,418	3,046,418
31	All other assets not included in the above categories	83,092,479	82,889,337	40,250,124	48,441,428	109,993,934
32	Off-balance sheet items				746,927,593	35,340,045
33	Total required stable funding (RSF)					**2,140,283,986**
34	Net Stable Funding Ratio (%)					**131.84%**