



Standard Chartered Bank (Taiwan) Limited

MOPS website : <http://mops.twse.com.tw/>

Bank website : <https://www.sc.com/tw/>

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Annual Report 2024

Connecting the world's
most dynamic markets



**Spokesperson**

Sebastian Hia, Chief Executive Officer

Tel. No.: (02)6602-3998

**Deputy spokesperson**

Kungju Chen, Head, Corporate Affairs and Brand & Marketing

Tel. No.: (02)6603-6691

Email address: Kungju.Chen@sc.com

**Addresses and phone numbers of the head office and branches**

For detailed information, refer to Appendix 2 "Directory of Branches and Offices".

**Stock registration agent**

Yuanta Securities, Registrar & Transfer Department

Address: B1F, No. 67, Sec. 2, Tunhua S. Rd., Taipei City

Tel. No.: (02)2586-5859

Website: <http://www.yuanta.com.tw>

**Credit rating institutions**

Taiwan Ratings Corporation

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

Tel. No.: (02) 2175-6800

**Names of CPAs certifying financial statements of the most recent year**

Lin, Shr-huan and Chang, Cheng-tao

Company Name: Ernst & Young, Taiwan

Address: 9F., No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City, Taiwan (R.O.C.)

Address: https://ey.com/zh_tw

Tel. No.: (02)2757-8888

Name of the stock exchange where the overseas securities are listed for trading and the enquiry method: None.



standard
chartered

Bank website: <https://www.sc.com/tw/>

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(upper left) Launching event for 2024 Women in Entrepreneurship (WiE).
 (upper right) For the first time, Standard Chartered Bank opened the office for Family Day. Taiwan CEO Ian Anderson warmly welcomed employees' family members to experience the working environment.
 (lower right) Promote sustainability initiative through holding corporate visit and study tours.

I. Report to the Shareholders

Happy Hour for Staffs to join.



2024 Report to the Shareholders



John Ming Kiu Tan
Chair

Global Financial Environment and Taiwan Economic Overview

Taiwan's economy likely grew by 4.6 per cent in 2024. This significantly beat 2023 growth of 1.1 per cent and consensus estimates of 3.1 per cent at the beginning of the year. Information and Communication Technology (ICT) exports, which account for around 28 per cent of Taiwan's total exports, grew by almost 60 per cent in 2024, benefiting from the expansion of artificial intelligence (AI) chip applications globally. The consequent ramp up in capital expenditure and rebuilding of inventory by the local tech sector provided support for gross capital formation. Domestic consumption has also been a key growth contributor, thanks to a tight labour market and a positive wealth effect from strong asset markets.

Looking ahead to 2025, we expect real GDP growth to ease to 2.3 per cent. Taiwanese chipmakers' order pipeline is likely to remain strong as global tech giants continue to build their AI infrastructure. This, together with resilient domestic demand, should provide a decent floor for the 2025 growth outlook. However, external uncertainty remains high. With the global economy on track for a soft landing, we expect non-tech exports to continue to underperform tech exports in the coming quarters, capping export growth. Trump's

return to the White House also brings the threat of higher US tariffs. We expect global supply chains to reorient around this impending shock, with Taiwan likely to be among the economies that pick up a larger share of United States imports. That said, slower demand from Mainland China which remains a significant trading partner despite derisking efforts, may offset the benefit to Taiwan from the accelerated trade diversion under Trump 2.0.

Trump's focus on correcting the United States' large bilateral trade deficits may turn the United States-Taiwan bilateral trade relationship into a more transactional one. Taiwan will likely increase its defence budget and buy more weapons from the United States, alongside more energy and agricultural purchases; a commitment to increasing Taiwanese investment in the United States could be a bargaining chip to prevent the rollback of CHIPS subsidies and the imposition of new tariffs.

The Taiwan central bank (CBC) is expected to stay on hold in 2025. In line with consensus, we expect policy makers to keep the benchmark policy rate at 2 per cent, as inflation data stays benign. Excluding the more volatile food and energy items, core consumer price index (CPI) averaged less than

1.8 per cent in July–November 2024, versus 2 per cent in H1. A further drop in core CPI from here looks challenging given solid domestic demand, a tight labour market, an elevated property market, and ongoing pressure to hike energy prices. That said, we still expect core inflation to stay below the CBC's 2 per cent target for much of 2025, so there may be little urgency for the CBC to raise interest rates.

Since the announcement of the 'seventh wave' of property cooling measures in September 2024, residential property prices and transaction volumes have shown signs of moderation. However, we believe it is still too early for the CBC to revert to a neutral stance. The central bank expressed concern about the elevated share of property loans within total bank loans (at 37.4 per cent in October 2024, close to the record of 37.9 per cent); the CBC has said it wants to see this ratio fall to the 35–36 per cent range. The market largely agrees that policy makers are likely to maintain a hawkish tone, with interest rate swaps continuing to imply a small rate hike bias throughout 2025.

Operating Results in 2024

Organisational Change

Starting from 31 May 2024, "Consumer, Private, and Business Banking", "Corporate, Commercial and Institutional Banking Client Coverage" and "Financial Markets" departments of the Company have been renamed as "Wealth and Retail Banking", "Corporate and Investment Banking Client Coverage" and "Markets" respectively, with organisational responsibilities remain unchanged.

Budget Implementation and Financial Performance

Profit after tax amounted to NTD5,213 million in 2024, was up 8% compared to the previous fiscal year and achieving 119 per cent of the budget. The overall financial performance in 2024 was beyond expectations. The performance was driven by rates tailwind and strong underlying growth in wealth solutions, though partially offset by higher operating expenses and impairments of loans. The revenue and expenditure in 2024 were as follows: net revenue was NTD18,506 million, including net interest income NTD7,260 million and non-interest income (net) NTD11,246 million. Bad debt expenses, commitment and guarantee liability provisions were NTD1,484 million. Operating expenses were NTD10,693 million. Income before tax amounted to NTD6,329 million while income tax was NTD1,116 million. As of 31 December 2024, the balance of discounts and loans totaled NTD311,518 million, achieving 108 per cent of budget. The balance of deposits and remittances aggregated

to NTD634,513 million, achieving 105 per cent of budget. In 2024, Return on Assets (ROA) was 0.7 per cent and Return on Equity (ROE) was 10.11 per cent. The liquidity coverage ratio at 155.82 per cent and the capital adequacy ratio at 16.76 per cent, as of end-2024, were well above regulatory requirements. The Company's asset quality remained at an excellent level, with non-performing loan ratio at 0.16 per cent and provision coverage ratio at 1,134.6 per cent as of end-2024. The Company's credit rating remains stable. Taiwan Ratings Corporation and Standard & Poor's retained the Company's credit rating in 2024, which is same as that in previous year: twAA+ for domestic long-term credit, twA-1+ for domestic short-term credit, A for international long-term credit, A-1 for international short-term credit, and Stable for outlook.

Research and Development Review

We continue to invest in our business to enhance our client-centric digital experience and provide the necessary tools for our staff.

In the first half of 2024, the Company launched an upgraded mobile device binding service using SIM card verification. This service enables clients to verify identity through facial recognition, fingerprint authentication, or mobile push notifications, significantly enhancing the security of mobile banking transactions while providing a more convenient experience for clients. In the second half of the year, the Company introduced a new online credit card service platform, providing features such as temporary credit limit increases, annual fee inquiries and waivers, and card cancellations. These initiatives aim to meet clients' needs for convenience, security, and personalised services.

In our Wealth Solution services, the Company remains committed to optimising our digital service platform for wealth management. The "myStocks Online Trading Platform for Foreign Stocks and ETFs" was officially launched in January 2024. This platform offers clients with a one-stop digital wealth management experience through mobile banking and online banking, offering 24/7 access to foreign stock market trading services.

At the end of 2024, the Company further upgraded the service offerings of "myRM" platform by introducing offshore structured products and W8BEN document update services, providing a more integrated transaction platform experience for our clients. Apart from directly connecting with relationship managers for financial advisory services through online banking and mobile banking applications, clients can also seamlessly execute transactions for a comprehensive range of wealth management products with just a touch..

Achievements and Awards from Operating Plan and Strategy

“Here for good” vividly illustrates the Company’s brand promise for a sustainable future for our Business, our Operations, and the Community. It is also a deep commitment: We are here for the long run, applying our knowledge and experience to support our shareholders, staff, and clients. We are here for progress, committed to be a responsible company, devoted to community services and environmental protection. The Company has been widely recognised for its commitment to staying ahead of a changing marketplace, providing digital banking and innovative services, building good brand reputation, and contributing to corporate social responsibilities. In 2024, the Company won 30 domestic and international awards, including:

- Retail Banker International: “Asia Trailblazer Awards 2024 - Best Advance in a Diversity and Inclusion Initiatives, and “Asia Trailblazer Awards 2024 - Excellence in Loan Origination Process”
- Wealth Magazine: “Best of Service” for foreign banks, “Best of Wealth Added Award” for foreign banks, “Best Digitized Intelligent System” for foreign banks, and “Best Video Marketing Award” for foreign banks
- The Digital Banker: Digital CX Award 2024: “Best Retail Bank for Digital CX in Taiwan”, and “Outstanding Innovation in Digital CX – Equities”
- The Asset: “Best in Treasury and Working Capital-MNCs/LLCs”, “Best Liquidity Management Service Provider”, “Best Relationship Manager”, “Best Renminbi Bank”, “Best ESG Solution”, and “Best Payments and Collections Solution”
- Forbes: The World’s Best Banks - No. 3 in Taiwan
- Asia Banking & Finance Magazine: “Digital Consumer Banking Initiative – Taiwan”, “International Retail Bank of the Year – Taiwan”, and “Wealth Management Platform of the Year – Taiwan”
- Enterprise Asia: Asia Responsible Enterprise Awards 2024: “Social Empowerment Category” and “Investment In People Category”
- Department of Labor, Taipei City Government: “Taipei City 2024 Annual Friendly Child Care Award - Benchmark Enterprise Group”
- Asian Business Review Magazine: Asian Technology Excellence Awards 2024: “Taiwan Technology Excellence Award for Analytics – Banking” and “Taiwan Technology Excellence Award for Digital – Banking”
- Excellence Magazine: “Best Digital Financial Management Award”, “Best Professional Team Award”, and “Best Customer Recommendation Award”
- The General Chamber of Commerce of the Republic of China: “2024 Golden Merchant Award’s Outstanding Foreign Business Award”
- Sports Administration, Ministry of Education: “Sports Promoter Golden Award”

Operating Plan and Strategies in 2025

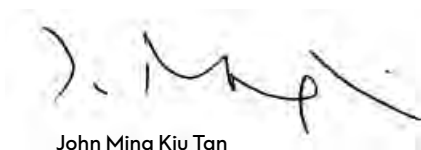
In 2025, the net revenue and profit after tax targets are NTD18,736 million and NTD4,769 million, respectively.

The Company will sharpen the execution of its established strategy. In Wealth and Retail Banking, we continue to focus on becoming a Wealth Manager for affluent clients. We will strengthen our high-net-worth client proposition with international banking solutions, innovative and diversified wealth products and differentiated customer experience.

In Corporate and Investment Banking, our priority continues to be a Cross Border Corporate and Investment Bank that leverages our global network to support our client needs, particularly in supply chain reconfiguration, innovative hedging and funding arrangements, as well as and journey towards sustainability.

The Company will continue to focus on Treating Customers Fairly (TCF) and Task Force on Climate-related Financial Disclosures (TCFD) as client-centricity and sustainability are at the core of the Company’s corporate culture. For two consecutive years across 2023 and 2024, the Company has been ranked in the top quartile of financial institutions by the Financial Supervisory Commission for our performance in implementing the TCF principles. The Company further enriched its TCFD report in 2024 by putting in place a clear strategy with measurable metrics and targets to reinforce our commitment in sustainability and responsibility to the community. To constantly improve our service level and sustainability focus, we have engaged an external independent consultant to continue optimising our internal framework and measures in 2025.

The global economy and political landscape are rapidly evolving, posing uncertainties yet potential opportunities in 2025. Tailwinds such as AI Boom, recovery in the tech sector and enhanced consumer confidence are expected to support the Taiwan economy. Being deep-rooted in Taiwan for 40 years, and with robust capital, unique global network and the right corporate culture, the Company will continue to passionately provide client-centric services at all levels, delivering our long-term commitment of “here for good”.



John Ming Kiu Tan
Chair

II. Corporate Governance Report

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Standard Chartered Taiwan receive the recognition from Taipei city Mayor Chiang Wan-an on "Taipei City 2024 Annual Friendly Child Care Award-Benchmark Enterprise Group. Mayor visited Standard Chartered Taiwan, Liaoning Building to show the recognition of bank's friendly parenting policy and environment.



I. Information on Directors (Including Independent Non-executive Directors, INEDs), Executive Officers and Branch Managers

(I) Directors (Including INEDs) Information

1. Directors (Including INEDs)

31 March 2025

Title	Nationality	Name	Gender Age	Date elected	Term	Date first elected	Shareholding when elected		Current shareholding		Shareholding of spouse & minors		Shareholding in other's name		Experience / Education	Also serve concurrently as	Other executives, directors or supervisors are spouse or within second-degree relative of consanguinity to each other		
							Shares	Ratio (%)	Shares	Ratio (%)	Shares	Ratio (%)	Shares	Ratio (%)			Title	Name	Relationship
Chair	Canadian	Standard Chartered NEA Limited Representative: John Ming Kiu Tan	M 61	18/03/2025	0.5 yr	18/03/2025	(Note)	(Note)	(Note)	(Note)	N/A	N/A	N/A	N/A	Non-Executive Director of Standard Chartered Bank (China) Limited Regional Head, Financial Markets, East Standard Chartered Group CEO, Standard Chartered Bank (Taiwan) Limited Head of Global Markets, Co-Head of Wholesale Banking, Standard Chartered Bank (Hong Kong) Limited Head of Global Markets, Co-Head of Wholesale Banking, Standard Chartered Bank (China) Limited Executive Director & Head of Treasury of Dah Sing Bank, Hong Kong Master of Applied Finance, Macquarie University, Australia	Managing Director, CEO Office, HK and Greater China & North Asia, Standard Chartered Bank (H K) Limited	N/A	N/A	N/A
Director	Singapore	Standard Chartered NEA Limited Representative: Hia Poh Lee Sebastian	M 49	29/08/2024	1yr 1mth	29/08/2024	(Note)	(Note)	(Note)	(Note)	N/A	N/A	N/A	N/A	Head of Consumer, Private and Business Banking, Standard Chartered Bank (Taiwan) Limited Managing Director & General Manager, Affluent Client Coverage (Onshore) and Branches, Standard Chartered Bank (Singapore) Limited Head of Sales Performance and Service Governance, Standard Chartered Bank Malaysia Berhad Head of Personal Loan, Mortgage Loan, Telesales and Employee Banking, Standard Chartered Bank (China) Limited Head of Client Acquisition and Business Planning Manager, Standard Chartered Bank (Singapore) Limited Bachelor of Commerce, University of Melbourne, Australia	CEO and Head of Wealth and Retail Banking, Standard Chartered Bank (Taiwan) Limited	N/A	N/A	N/A

Continued

Title	Nationality	Name	Gender Age	Date elected	Term	Date first elected	Shareholding when elected		Current shareholding		Shareholding of spouse & minors		Shareholding in other's name		Experience / Education	Also serve concurrently as	Other executives, directors or super visors are spouse or within second-degree relative of consanguinity to each other		
							Shares	Ratio (%)	Shares	Ratio (%)	Shares	Ratio (%)	Shares	Ratio (%)			Title	Name	Relationship
Director	USA	Standard Chartered NEA Limited Representative: Xiaomin Rong	M 57	06/06/2023	2yrs 4mths	06/06/2023	(Note)	(Note)	(Note)	(Note)	N/A	N/A	N/A	N/A	Chief Risk Officer, Consumer, Private and Business Banking (CPBB), Standard Chartered Group Chief Risk Officer Hong Kong & Chief Credit Officer Greater China and North Asia, Standard Chartered Group Chief Risk Officer, HSBC Taiwan, HSBC Group Regional Head of Risk Governance Asia Pacific and Head of Risk Strategy Greater China, HSBC Group Head of Risk Strategy, HSBC China MBA, Kellogg School of Management at Northwestern University	Chief Risk Officer, Wealth and Retail Banking and Greater China and North Asia, Standard Chartered Group	N/A	N/A	N/A
Director	Singapore	Standard Chartered NEA Limited Representative: William Tze Hau Lau	M 45	01/09/2023	2yrs 1mth	01/09/2023	(Note)	(Note)	(Note)	(Note)	N/A	N/A	N/A	N/A	Head of Funds Transfer Pricing, Treasury, Standard Chartered Bank (Singapore) Limited CFO, Treasury, Standard Chartered Bank (Singapore) Limited Global Head of Treasury Product Control, Standard Chartered Bank (Singapore) Limited Head of Asia Interest Rate Product Control, Morgan Stanley Hong Kong and Singapore Master of Science in Financial Engineering, National University of Singapore	CFO, Standard Chartered Bank (Taiwan) Limited	N/A	N/A	N/A
INED	R.O.C.	Standard Chartered NEA Limited Representative: Ban-Ren Chen	M 71	26/09/2022	3 yrs	25/03/2017	(Note)	(Note)	(Note)	(Note)	N/A	N/A	N/A	N/A	Fubon Group Fubon Financial Holdings ▪ Group Business Manager, Senior Executive VP ▪ Taipei Fubon Commercial Bank Co., Ltd., Board of Director ▪ Head of Wealth Management Group ▪ Chairman, Fubon Securities Co., Ltd Taiwan Mobile Company ▪ Managing Director ▪ Chief Business Officer Citigroup, China ▪ Country Business Manager, Consumer Banking Chinatrust Financial Holdings ▪ Deputy President, Consumer Banking Farestone Mobile Company ▪ Chief Business & Strategy Officer Citigroup, Taiwan ▪ Executive VP, Branch Banking & Wealth Management McDonald's Taiwan ▪ Senior Executive VP and Chief Financial Officer MBA, Southern Illinois University	Nil	N/A	N/A	N/A

Continued

Title	Nationality	Name	Gender Age	Date elected	Term	Date first elected	Shareholding when elected		Current shareholding		Shareholding of spouse & minors		Shareholding in other's name		Experience / Education	Also serve concurrently as	Other executives, directors or super visors are spouse or within second-degree relative of consanguinity to each other		
							Shares	Ratio (%)	Shares	Ratio (%)	Shares	Ratio (%)	Shares	Ratio (%)			Title	Name	Relationship
INED	R.O.C.	Standard Chartered NEA Limited Representative: Hsiu-Yin Weng	F 67	06/06/2023	2yrs 4mths	06/06/2023	(Note)	(Note)	(Note)	(Note)	N/A	N/A	N/A	N/A	Managing Director, Head of Global Banking, HSBC Bank (Taiwan) Limited Chief Auditor, HSBC Bank (Taiwan) Limited Senior Vice President and Department Head, HSBC Bank (Taiwan) Limited Senior Vice President, Head of Global Payments and Cash Management, HSBC Bank (Hong Kong) limited Vice President, Greater China Business Coordinator, Citibank N.A., Taipei Branch Vice President, Head of Global Relationship Banking, Citibank N.A., Taipei Branch MBA, Wayne State University, Detroit, U.S.A.	Nil	N/A	N/A	N/A
INED	Britain	Standard Chartered NEA Limited Representative: Andrew James Hardacre	M 67	26/09/2022	3 yrs	26/06/2019	(Note)	(Note)	(Note)	(Note)	N/A	N/A	N/A	N/A	Consultant to LIM Advisors Consultant to Standard Chartered Bank Group Chief Risk Officer Group Head of Group Special Assets Management, Standard Chartered Bank Group Head of Credit Risk, Standard Chartered Bank Graduated from Exeter University, UK with an Honours Degree in German	Nil	N/A	N/A	N/A

Note : The Company is a subsidiary wholly owned by Standard Chartered NEA Limited. All the Directors are appointed as legal representatives by the Company's parent company.
The previous shareholder, Standard Chartered Bank had transferred all of its shareholdings of the Company to Standard Chartered NEA Limited on 1 October 2019.

2. Major Shareholder of Institutional Shareholders

31 March 2025

Name of Institutional Shareholders	Major Shareholder of Institutional Shareholders
Standard Chartered NEA Limited	Standard Chartered Bank (Hong Kong) Limited (100% shareholding)

3. Major Shareholder of Principal Institutional Shareholders

31 March 2025

Name of Institutional Shareholders	Major Shareholder of Institutional Shareholders
Standard Chartered Bank (Hong Kong) Limited	Standard Chartered PLC (100% shareholding)

↓Continued

4. Disclosure of Professional Qualifications and Independence of Directors (including INEDs)

Names	Qualifications	Professional Qualifications and Experience (Note 1)	Independence Status (Note 2)	The number of public companies in which the director or INED also serves concurrently as an Independent Director
Standard Chartered NEA Limited Representative: John Ming Kiu Tan		Managing Director, CEO Office, HK and Greater China & North Asia, Standard Chartered Bank (Hong Kong) Limited Non-Executive Director of Standard Chartered Bank (China) Limited Regional Head, Financial Markets, Standard Chartered Group CEO, Standard Chartered Bank (Taiwan) Limited Head of Global Markets, Co-Head of Wholesale Banking, Standard Chartered Bank (Hong Kong) Limited Head of Global Markets, Co-Head of Wholesale Banking, Standard Chartered Bank (China) Limited Executive Director & Head of Treasury of Dah Sing Bank, Hong Kong (No circumstance violating Article 30 of the Company Act)	-	Nil
Standard Chartered NEA Limited Representative: Hia Poh Lee Sebastian		CEO and Head of Wealth and Retail Banking, Standard Chartered Bank (Taiwan) Limited Head of Consumer, Private and Business Banking, Standard Chartered Bank (Taiwan) Limited Managing Director & General Manager, Affluent Client Coverage (Onshore) and Branches, Standard Chartered Bank (Singapore) Limited Head of Sales Performance and Service Governance, Standard Chartered Bank Malaysia Berhad Head of Personal Loan, Mortgage Loan, Telesales and Employee Banking, Standard Chartered Bank (China) Limited Head of Client Acquisition and Business Planning Manager, Standard Chartered Bank (Singapore) Limited (No circumstance violating Article 30 of the Company Act)	-	Nil
Standard Chartered NEA Limited Representative: Xiaomin Rong		Chief Risk Officer, Wealth and Retail Banking and Greater China and North Asia, Standard Chartered Group Chief Risk Officer, Consumer, Private and Business Banking (CPBB), Standard Chartered Group Chief Risk Officer Hong Kong & Chief Credit Officer Greater China and North Asia, Standard Chartered Group Chief Risk Officer, HSBC Taiwan, HSBC Group Regional Head of Risk Governance Asia Pacific and Head of Risk Strategy Greater China, HSBC Group Head of Risk Strategy, HSBC China (No circumstance violating Article 30 of the Company Act)	-	Nil
Standard Chartered NEA Limited Representative: William TZE HAU Lau		CFO, Standard Chartered Bank (Taiwan) Limited Head of Funds Transfer Pricing, Treasury, Standard Chartered Bank (Singapore) Limited CFO, Treasury, Standard Chartered Bank (Singapore) Limited Global Head of Treasury Product Control, Standard Chartered Bank (Singapore) Limited Head of Asia Interest Rate Product Control, Morgan Stanley Hong Kong and Singapore (No circumstance violating Article 30 of the Company Act)	-	Nil

↓ Continued

Names	Qualifications	Professional Qualifications and Experience (Note 1)	Independence Status(Note 2)	The number of public companies in which the director or INED also serves concurrently as an Independent Director
Standard Chartered NEA Limited Representative: Ban-Ren Chen		Fubon Group Fubon Financial Holdings ▪ Group Business Manager, Senior Executive VP ▪ Taipei Fubon Commercial Bank Co., Ltd., Board of Director ▪ Head of Wealth Management Group ▪ Chairman, Fubon Securities Co., Ltd Taiwan Mobile Company ▪ Managing Director ▪ Chief Business Officer Citigroup, China ▪ Country Business Manager, Consumer Banking Chinatrust Financial Holdings ▪ Deputy President, Consumer Banking Farestone Mobile Company ▪ Chief Business & Strategy Officer Citigroup, Taiwan ▪ Executive VP, Branch Banking & Wealth Management McDonald's Taiwan ▪ Senior Executive VP and Chief Financial Officer (No circumstance violating Article 30 of the Company Act)	▪ I, my spouse, or relatives within the second degree of relatives do not serve as directors, supervisors or employees of the Company or its affiliated companies; ▪ I, my spouse, relatives within the second degree of relatives (or in the name of others) do not hold shares of the Company; ▪ Not serving as a director, supervisor or employee of a company specifically related to the Company; and ▪ The amount of remuneration received for providing business, legal, financial, accounting and other services to the Company or its affiliates in the last two years.	Nil
Standard Chartered NEA Limited Representative: Hsiu-Yin Weng		Managing Director, Head of Global Banking, HSBC Bank (Taiwan) Limited Chief Auditor, HSBC Bank (Taiwan) Limited Senior Vice President and Department Head, HSBC Bank (Taiwan) Limited Senior Vice President, Head of Global Payments and Cash Management, HSBC Bank (Hong Kong) limited Vice President, Greater China Business Coordinator, Citibank N.A., Taipei Branch Vice President, Head of Global Relationship Banking, Citibank N.A., Taipei Branch (No circumstance violating Article 30 of the Company Act)	▪ I, my spouse, or relatives within the second degree of relatives do not serve as directors, supervisors or employees of the Company or its affiliated companies; ▪ I, my spouse, relatives within the second degree of relatives (or in the name of others) do not hold shares of the Company; ▪ Not serving as a director, supervisor or employee of a company specifically related to the Company; and ▪ The amount of remuneration received for providing business, legal, financial, accounting and other services to the Company or its affiliates in the last two years.	Nil
Standard Chartered NEA Limited Representative: Andrew James Hardacre		Consultant to LIM Advisors Consultant to Standard Chartered Bank Group Chief Risk Officer Group Head of Group Special Assets Management, Standard Chartered Bank Group Head of Credit Risk, Standard Chartered Bank (No circumstance violating Article 30 of the Company Act)	▪ I, my spouse, or relatives within the second degree of relatives do not serve as directors, supervisors or employees of the Company or its affiliated companies; ▪ I, my spouse, relatives within the second degree of relatives (or in the name of others) do not hold shares of the Company; ▪ Not serving as a director, supervisor or employee of a company specifically related to the Company; and ▪ The amount of remuneration received for providing business, legal, financial, accounting and other services to the Company or its affiliates in the last two years.	Nil

Note 1 : Professional qualifications and experience: state the professional qualifications and experience of each director and supervisor. If they are members of the Audit Committee and have accounting or financial expertise, their accounting or financial background and work experience should be stated, and whether they have circumstance violating Article 30 of the Company Act.

Note 2 : INED should state their independence, including but not limited to whether they, their spouse, or relatives within the second degree of relatives serve as directors, supervisors or employees of the Company or its affiliated companies; The number and proportion of bank shares held by relatives (or in the name of others); whether they serve as a company's director, supervisor or employee that has a specific relationship with the Company (refer to the provisions of Article 3, Paragraph 1 (item 5 to 8) under the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); the amount of remuneration received for providing business, legal, financial, accounting and other services to the Company or its affiliates in the last two years.

5. Diversity and independence of the Board of Directors :

(1) **Diversity of the Board of Directors:** describe the diversity policy, goals and achievement of the Board of Directors. The diversity policy includes, but is not limited to, the selection criteria for directors, the professional qualifications and experience that the Board of Directors should have, the composition or ratio of gender, age, nationality, and culture, etc., and the Company's specific goals and their achievement are described in the previous policy.

The Board had adopted the SCB Group Subsidiary Governance Standard for Banking Subsidiary that the guidelines for Board composition had been followed. The Board composition should consider the local regulatory requirements (the Banking Act and Article 29 of the Corporate Governance Best-Practice Principles for Banks) and the skills and capabilities of directors taking in account the following:

Academic qualification, professional background (e.g. retail banking, corporate banking, M&A, investment banking, IT, audit, strategy...etc.), international experience, gender, age and prior board experience or chairmanship.

To continue to maximise the Board effectiveness, the Chair and Head of Corporate Governance would annually assess the Board and Board committee composition to ensure the director's capability and skills to meet the international standard of corporate governance.

The Board composition is as follows.

Name of Directors	Core of Diversification	Basic Composition				Banking Experience					International Experience	Professional Capabilities					
		Nationality	Gender	Employee of SCBTL	Age	General Banking	Retail/Consumer Banking	Corporate/Commercial Banking	Consumer Credit/Finance	Investment Banking		Merger & Acquisition (M&A)	Technology/Systems	Audit	Strategy	Risk	Other Board Experience
John Ming Kiu Tan		Canadian	M	No	61	✓		✓		✓	✓				✓		✓
Hia Poh Lee Sebastian		Singapore	M	Yes	49	✓	✓		✓		✓				✓		
Xiaomin Rong		USA	M	No	57	✓	✓		✓		✓				✓	✓	
William Tze Hau Lau		Singapore	M	Yes	45				✓	✓	✓		✓	✓		✓	
Ban-Ren Chen		R.O.C.	M	No	71	✓	✓		✓		✓		✓		✓	✓	✓
Hsiu-Yin Weng		R.O.C.	F	No	67			✓		✓	✓			✓			
Andrew James Hardacre		Britain	M	No	67	✓		✓			✓				✓	✓	✓

There are 7 Directors (including 3 INEDs) in the 16th term of Board of Directors of the Company, who have the overall ability of business judgment, leadership decision-making, operation management, international market view, crisis management, etc., and have banking experience and professional ability; those with financial management experience are the Directors, John Ming Kiu Tan, William TZE HAU Lau and the INED, Ban-Ren Chen; those who are good at retail/consumer banking are the Director, Hia Poh Lee Sebastian and the INED, Ban-Ren Chen; the Director, Xiaomin Rong and the INED, Andrew James Hardacre are good at risk management and strategy; the INED, Hsiu-Yin Weng, who had corporate/commercial banking and audit experiences; and the Director, William TZE HAU Lau and the INED, Ban-Ren Chen have accounting or finance capabilities and experience in practical management.

The average tenure for the Directors of the Company is 3 years. The tenure of the INED, Hsiu-Yin Weng is less than 3 years; the tenure of the INED, Andrew James Hardacre is less than 6 years; and the tenure of the INED, Ban-Ren Chen is 8 years. All the INEDs shall serve no more than 3 consecutive terms.

Since the Company is a member of the Standard Chartered PLC, in order to ensure that the Company is in line with the group and other international markets, the nationality of the board members (including R.O.C.), the composition of the Board is 3 INEDs (43%); 2 directors (29%) are employees of the Company. The age of directors includes 2 directors aged 40-50, 1 director aged 51-60 and 4 directors aged 61-70.

(2) Independence of the Board of Directors: state the number and proportion of INED, and state that the Board of Directors is independent, and explain with reasons whether there is no circumstance violating items 3 and 4 stipulated in Article 26-3 of the Securities and Exchange Act, including a description of circumstances where the directors, supervisors, or directors and supervisors have spouses and relatives within the second degree of kinship.

The Company had obtained the declaration from each INED upon the appointment to confirm they had met independence requirement under the local regulation (that is Article 3 Para 1 (item 5 to 8) under the regulation governing the appointment of INED and compliance matters of the public company). The Bank also had a designated unit to periodically review the declaration of related party disclosure by each INED to ensure maintaining the independence during the term. Each of INED had declared no circumstance violating Article 30 of the Company Act and Article 53 of the Securities and Exchange Act.

The INEDs are all Audit Committee members. One of three INEDs had accounting or financial background (Ban-Ren Chen was CFO of McDonald's before his enriched experiences in international and local financial industry and retail business). Andrew James Hardacre once served as Group Head of GSAM at international bank. Hsiu-Ying Weng has plenty experiences in corporate/commercial banking and audit.

(II) Information on the Executive Officers and Branch Manage

31 March 2025

Title (Note 1)	Nationality	Name	Gender	Date appointed	Shareholding		Shareholding of spouse & minor		Shareholding in other's name		Education & Work Experience (Note 2)	Also serve concurrently as	Managers are spouse or within second-degree relative of consanguinity to each other			Remark (Note 3)
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Chief Executive Officer	Singapore	Hia Poh Lee Sebastian	Male	01/08/2024	0	0	0	0	0	0	Bachelor of Commerce, University of Melbourne, Australia	N/A	N/A	N/A	N/A	N/A
Chief Internal Auditor	R.O.C	Vivian Hung	Female	18/10/2021	0	0	0	0	0	0	Master of Science in Computer Forensics and E-Discovery, University of Glasgow, UK	N/A	N/A	N/A	N/A	N/A
Head of Coverage, Corporate & Investment Banking	R.O.C	Connie Chu	Female	26/08/2020	0	0	0	0	0	0	MBA, Yale University	N/A	N/A	N/A	N/A	N/A
Head of Wealth and Retail Banking	Singapore	Hia Poh Lee Sebastian	Male	03/04/2023	0	0	0	0	0	0	Bachelor of Commerce, University of Melbourne, Australia	N/A	N/A	N/A	N/A	N/A
Head of Markets	R.O.C	Wei-Lun Chao	Male	05/12/2024	0	0	0	0	0	0	Master of Science of Investment and Finance, Queen Mary University of London, UK	N/A	N/A	N/A	N/A	N/A
Chief Financial Officer	Singapore	William Tze Hau Lau	Male	01/09/2023	0	0	0	0	0	0	Master of Science in Financial Engineering, National University of Singapore	N/A	N/A	N/A	N/A	N/A
Chief Risk Officer	R.O.C	Etta Lin	Female	01/12/2015	0	0	0	0	0	0	Master of Business Administration Kellogg School of Management, Northwestern University	N/A	N/A	N/A	N/A	N/A
Chief Transformation Technology and Operations Officer	R.O.C	Sandy Chen	Female	16/09/2019	0	0	0	0	0	0	Dept. of Computer Science & Information Engineering, National Taiwan University	N/A	N/A	N/A	N/A	N/A
Head of Human Resources	R.O.C	Dexter Wen	Male	10/03/2025	0	0	0	0	0	0	Master of Industrial Relations, Queen's University, Ontario, Canada	N/A	N/A	N/A	N/A	N/A
Chief Compliance Officer	R.O.C	Miranda Liaw	Female	15/11/2018	0	0	0	0	0	0	MBA, Carnegie Mellon University	N/A	N/A	N/A	N/A	N/A
Head of Legal	R.O.C	Erick Yin	Male	02/12/2015	0	0	0	0	0	0	LL.M., New York University, USA	N/A	N/A	N/A	N/A	N/A
Head of Corporate Governance	R.O.C	Cathy Li	Female	22/05/2008	0	0	0	0	0	0	Banking and Financial Law, LL.M. Boston University, USA	N/A	N/A	N/A	N/A	N/A
Head of Corporate Affairs and Brand & Marketing	R.O.C	Kungju Chen	Male	07/03/2025	0	0	0	0	0	0	Bachelor of Business Administration in Finance, Chengchi University	N/A	N/A	N/A	N/A	N/A
Offshore Banking Unit Manager	R.O.C	Connie Chu	Female	26/09/2024	0	0	0	0	0	0	MBA, Yale University	N/A	N/A	N/A	N/A	N/A
Head of Trust	R.O.C	Jessie Hsu	Female	01/06/2024	0	0	0	0	0	0	Bachelor of Economics, National Taiwan University	N/A	N/A	N/A	N/A	N/A
Branch Manager, Guangfu Branch	R.O.C	Nuan Lin	Female	10/03/2022	0	0	0	0	0	0	MA in Insurance, Feng Chia University	N/A	N/A	N/A	N/A	N/A
Branch Manager, Zhongzheng Branch	R.O.C	Jack Shou-Hui Chao	Male	14/11/2018	0	0	0	0	0	0	Dept. of Secretary, Shih Chien College	N/A	N/A	N/A	N/A	N/A
Branch Manager, Zhudong Branch	R.O.C	James Yi-Hau Liou	Male	10/03/2022	0	0	0	0	0	0	Dept. of Finance, Southern Taiwan University of Science and Technology	N/A	N/A	N/A	N/A	N/A
Branch Manager, Hukou Branch	R.O.C	Peter Pin-Nien Chang	Male	23/11/2021	0	0	0	0	0	0	Dept. of Business Administration, National Chung-Hsing University	N/A	N/A	N/A	N/A	N/A
Branch Manager, Zhubei Branch	R.O.C	Ginny Guan-Hua Chen	Female	23/11/2021	0	0	0	0	0	0	Dept. of Psychology, Chung Yuan Christian University	N/A	N/A	N/A	N/A	N/A
Branch Manager, Xinfeng Branch	R.O.C	Sayuri Chiu-Ying Hsieh	Female	23/11/2021	0	0	0	0	0	0	Dept. of Industrial Engineering and Management, Van Nung Institute of Technology & Commerce	N/A	N/A	N/A	N/A	N/A
Branch Manager, Xinxing Branch	R.O.C	Serena Mei-Hui Chen	Female	14/11/2018	0	0	0	0	0	0	Dept. of Information, Open Jr. College under Taichung College of Commerce	N/A	N/A	N/A	N/A	N/A

Continued

Title (Note 1)	Nationality	Name	Gender	Date appointed	Shareholding		Shareholding of spouse & minor		Shareholding in other's name		Education & Work Experience (Note 2)	Also serve concurrently as	Managers are spouse or within second-degree relative of consanguinity to each other			Remark (Note 3)
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Branch Manager, Xin Zhung Branch	R.O.C	Lolita Lee	Female	25/11/2024	0	0	0	0	0	0	Dept. of Spanish Language and Literature, Providence University	N/A	N/A	N/A	N/A	N/A
Branch Manager, North Hsinchu Branch	R.O.C	Eric Chi-Cheng Huang	Male	10/03/2022	0	0	0	0	0	0	Dept. of Accounting and Statistics, National Taipei College of Business	N/A	N/A	N/A	N/A	N/A
Branch Manager, Sanmin Branch	R.O.C	Hydi Chen	Male	15/11/2024	0	0	0	0	0	0	Master Program in Finance, Tamkang University	N/A	N/A	N/A	N/A	N/A
Branch Manager, Zhongli Branch	R.O.C	Lillian Meng-Hua Chen	Female	26/01/2021	0	0	0	0	0	0	Dept. of Business Administration, Chihlee College of Business	N/A	N/A	N/A	N/A	N/A
Branch Manager, Xinwu Branch	R.O.C	Rita Chih-Fen Yang	Female	31/01/2023	0	0	0	0	0	0	Dept. of Applied Business, National Open College of Continuing Education Affiliated to National Taichung University of Science and Technology	N/A	N/A	N/A	N/A	N/A
Branch Manager, Longtan Branch	R.O.C	Tony Wei-Lung Tu	Male	26/01/2021	0	0	0	0	0	0	Dept. of Economics, Chinese Culture University	N/A	N/A	N/A	N/A	N/A
Branch Manager, Bade Branch	R.O.C	Jasper Chien	Male	15/06/2022	0	0	0	0	0	0	Dept. of Money and Banking, National Chengchi University	N/A	N/A	N/A	N/A	N/A
Branch Manager, Xinming Branch	R.O.C	Steven Lin	Male	01/02/2024	0	0	0	0	0	0	MAB, Chung Yuan Christian University	N/A	N/A	N/A	N/A	N/A
Branch Manager, Nankan Branch	R.O.C	Tim Lou	Male	01/12/2024	0	0	0	0	0	0	Master, Dept. of Information and Finance Management, National Taipei University of Technology	N/A	N/A	N/A	N/A	N/A
Branch Manager, Puxin Branch	R.O.C	Marie Mei-Tsun Chen	Female	31/01/2023	0	0	0	0	0	0	Dept. of Accounting, Open Jr. College under National Taipei College of Business	N/A	N/A	N/A	N/A	N/A
Branch Manager, Yonghe Branch	R.O.C	Sherry Shu-Hsueh Yeh	Female	20/12/2024	0	0	0	0	0	0	Master of Business Administration, Yuan Ze University	N/A	N/A	N/A	N/A	N/A
Branch Manager, Miaoli Branch	R.O.C	Jerry Wen-Chung Su	Male	29/08/2023	0	0	0	0	0	0	Dept. of Business Administration, Feng Chia University	N/A	N/A	N/A	N/A	N/A
Branch Manager, Zhunan Branch	R.O.C	Claire Hui-Chi Cheng	Female	10/03/2022	0	0	0	0	0	0	Graduate School of Business Administration, Chung Hua University	N/A	N/A	N/A	N/A	N/A
Branch Manager, Yuanli Branch	R.O.C	Tom Chun-Te Tu	Male	23/11/2021	0	0	0	0	0	0	Dept. of Business Administration, Minghsin University of Science and Technology	N/A	N/A	N/A	N/A	N/A
Branch Manager, Gongguan Branch	R.O.C	Vilan Shu-Ching Chiu	Female	23/11/2021	0	0	0	0	0	0	Dept. of Finance, Yu Da College of Business	N/A	N/A	N/A	N/A	N/A
Branch Manager, Houlong Branch	R.O.C	Sandy Hui-O Su	Female	23/11/2021	0	0	0	0	0	0	Dept. of Accounting, Open Jr. College under Taichung College of Commerce	N/A	N/A	N/A	N/A	N/A
Branch Manager, East Neili Branch	R.O.C	Bonny Hsiu-Ling Liu	Female	15/11/2024	0	0	0	0	0	0	Dept. of International Trade, Takming Junior College of Commerce	N/A	N/A	N/A	N/A	N/A
Branch Manager, Gongxi Branch	R.O.C	Monica Hsieh	Female	30/08/2022	0	0	0	0	0	0	Bachelor in Economics, Shih Hsin University	N/A	N/A	N/A	N/A	N/A
Branch Manager, Zhuangjing Branch	R.O.C	Rachel Li-Ying Chou	Female	26/01/2021	0	0	0	0	0	0	Dept. of Finance and Tax Administration, China Junior College of Industrial and Commercial Management	N/A	N/A	N/A	N/A	N/A
Branch Manager, Xindian Branch	R.O.C	Mark Chang	Male	15/06/2022	0	0	0	0	0	0	Dept. of Business Administration, Cheng Kung University	N/A	N/A	N/A	N/A	N/A
Branch Manager, Banqiao Branch	R.O.C	Harry Hung	Male	17/11/2020	0	0	0	0	0	0	MBA, Soochow University	N/A	N/A	N/A	N/A	N/A
Branch Manager, Neihu Branch	R.O.C	Cheng Shih Chin	Male	01/06/2024	0	0	0	0	0	0	Executive Master of Business Administration in International Finance, National Taipei University	N/A	N/A	N/A	N/A	N/A
Branch Manager, Shizheng Branch	R.O.C	Gavin Liao	Male	15/01/2020	0	0	0	0	0	0	Master Program in International Economics, National Chung Cheng University	N/A	N/A	N/A	N/A	N/A

Continued

Title (Note 1)	Nationality	Name	Gender	Date appointed	Shareholding		Shareholding of spouse & minor		Shareholding in other's name		Education & Work Experience (Note 2)	Also serve concurrently as	Managers are spouse or within second-degree relative of consanguinity to each other			Remark (Note 3)
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Branch Manager, Fengyuan Branch	R.O.C	Sunny Hsien-Tsung Kuo	Male	31/01/2023	0	0	0	0	0	0	Dept. of Business Administration, Minghsin Industrial and Commercial Junior College	N/A	N/A	N/A	N/A	N/A
Branch Manager, Tainan Branch	R.O.C	Kevin Huang	Male	12/03/2024	0	0	0	0	0	0	Dept. of Economics, Tunghai University	N/A	N/A	N/A	N/A	N/A
Branch Manager, Dongning Branch	R.O.C	Lawrence Yu-Ren Lin	Male	12/03/2024	0	0	0	0	0	0	Dept. of Banking & Insurance, Feng Chia University	N/A	N/A	N/A	N/A	N/A
Branch Manager, Nantun Branch	R.O.C	Tina Chiang	Female	01/01/2025	0	0	0	0	0	0	College of Business, Feng Chia University	N/A	N/A	N/A	N/A	N/A
Branch Manager, Tianmu Branch	R.O.C	Emily Hsi	Female	01/12/2024	0	0	0	0	0	0	Dept. of Industrial and Business Management, Tamkang University	N/A	N/A	N/A	N/A	N/A
Branch Manager, Beitun Branch	R.O.C	Roger Liao	Male	10/03/2022	0	0	0	0	0	0	Dept. of Technology, Chin-Yi University	N/A	N/A	N/A	N/A	N/A
Branch Manager, Changhua Branch	R.O.C	James Chien	Male	10/03/2022	0	0	0	0	0	0	Dept. of Chinese Literature, National Cheng Kung University	N/A	N/A	N/A	N/A	N/A
Branch Manager, Sanduo Branch	R.O.C	Roy Hsu	Male	10/03/2022	0	0	0	0	0	0	Master, Dept. of Finance, National Chengchi University	N/A	N/A	N/A	N/A	N/A
Branch Manager, North Kaohsiung Branch	R.O.C	Karen Wang	Female	03/11/2023	0	0	0	0	0	0	Dept. of Business Administration, Cheng Kung University	N/A	N/A	N/A	N/A	N/A
Branch Manager, Fuxing Branch	R.O.C	Sherry Shu-Hsueh Yeh	Female	01/06/2024	0	0	0	0	0	0	Master of Business Administration, Yuan Ze University	N/A	N/A	N/A	N/A	N/A
Branch Manager, Main Branch	R.O.C	Edward Wang	Male	10/03/2022	0	0	0	0	0	0	Bachelors in Finance, Ming Chuang University	N/A	N/A	N/A	N/A	N/A
Branch Manager, Nanjing Branch	R.O.C	Carol Ting	Female	01/06/2024	0	0	0	0	0	0	Business Administration, Chung Yu Junior College of Business Administration	N/A	N/A	N/A	N/A	N/A
Branch Manager, Dunhua Branch	R.O.C	Ivy Huang	Female	01/06/2024	0	0	0	0	0	0	Dept. of Economics, Soochow University	N/A	N/A	N/A	N/A	N/A
Branch Manager, Xinyi Branch	R.O.C	Sammi Tseng	Female	01/06/2024	0	0	0	0	0	0	Dept. of Industrial Management, Southern Taiwan University	N/A	N/A	N/A	N/A	N/A
Branch Manager, Ren'ai Branch	R.O.C	Kalice Wang	Female	01/06/2024	0	0	0	0	0	0	Master of International Business, Wollongong University, Australia	N/A	N/A	N/A	N/A	N/A
Branch Manager, Dunbei Branch	R.O.C	Charles Huang	Male	01/06/2024	0	0	0	0	0	0	Master, Dept. of Finance, National Chengchi University	N/A	N/A	N/A	N/A	N/A
Branch Manager, Zhongshan Branch	R.O.C	Ivy Hsu	Female	30/08/2022	0	0	0	0	0	0	Dept. of Business Administration, National Ming Chuan University	N/A	N/A	N/A	N/A	N/A
Branch Manager, Guting Branch	R.O.C	Morgan Liu	Male	10/03/2022	0	0	0	0	0	0	Dept. of Finance, National Ming Chuan University	N/A	N/A	N/A	N/A	N/A
Branch Manager, Dazhi Branch	R.O.C	Mandy Chiu	Female	10/03/2022	0	0	0	0	0	0	Master, Dept. of Finance, Chaoyang University of Technology	N/A	N/A	N/A	N/A	N/A
Branch Manager, Jinshan Branch	R.O.C	Stephen Huang	Male	10/03/2022	0	0	0	0	0	0	Master in International Business, Chengchi University	N/A	N/A	N/A	N/A	N/A
Branch Manager, Kaohsiung Branch	R.O.C	Ricky Chu-Lung Chen	Male	16/11/2024	0	0	0	0	0	0	Dept. of Banking and Insurance, Feng- Chia University	N/A	N/A	N/A	N/A	N/A
Branch Manager, Taichung Branch	R.O.C	Robert Lo	Male	15/01/2020	0	0	0	0	0	0	Dept. of Public Health, National Taiwan University	N/A	N/A	N/A	N/A	N/A

Note 1: Information on the executive officers including the President, Vice President, functional heads and branch managers or any personnel assuming equivalent positions are disclosed.

Note 2: Experiences relevant to the current job positions.

Note 3: Chairman and Chief Executive Officer or officer assuming equivalent position are not the same person, spouses or the first-degree relatives. In case of the same person, relevant information including the reason, appropriateness, necessity and countermeasures shall be disclosed.

II. Remuneration Paid to Directors (including INEDs), Supervisors and Executive Officers in 2024

(I) Directors’ Remuneration and Remuneration Bracket (including Independent Non-Executive Directors, INEDs)

1. Directors’ Remuneration (including INEDs)

Unit : NTD'000; %

Title	Name	Director's Remuneration								Total of (A, B,C, D) as a percentage (%) of net profit after tax		Relevant Remuneration Received by Directors who Are Also Employees								Total of (A, B,C, D, E, F, G) as a percentage (%) of net profit after tax		Remuneration from investment companies other than subsidiaries
		Remuneration (A)		Separation pay/ Pension (B)		Remuneration appropriated to directors from earnings (C)		Costs incurred from performing duties (D)				Salaries, bonus and special allowance (E)		Separation pay/ Pension (F)		Employees' remuneration (G)						
		The Company	All companies included in consolidated financial statements	The Company	All companies included in consolidated financial statements	The Company	All companies included in consolidated financial statements	The Company	All companies included in consolidated financial statements	The Company	All companies included in consolidated financial statements	The Company	All companies included in consolidated financial statements	The Company	All companies included in consolidated financial statements	The Company		All companies included in consolidated financial statements		The Company	All companies included in consolidated financial statements	
																Cash dividend	Stock dividend	Cash dividend	Stock dividend			
Chair	Standard Chartered NEA Limited Representative : Wai Yi Mary Huen	7,081	7,081	-	-	-	-	-	-	7,081 (0.14%)	7,081 (0.14%)	99,706	99,706	-	-	-	-	-	-	97,291 (2.05%)	97,291 (2.05%)	
Director	Standard Chartered NEA Limited Representative: Hia Poh Lee Sebastian (Note 1)																					
Director	Standard Chartered NEA Limited Representative: William Tze Hau Lau																					
Director	Standard Chartered NEA Limited Representative: Xiaomin Rong																					
Independent Director	Standard Chartered NEA Limited Representative: Ban-Ren Chen																					
Independent Director	Standard Chartered NEA Limited Representative: Andrew James Hardacre																					
Independent Director	Standard Chartered NEA Limited Representative: Hsiu-Ying Weng																					
Director	Standard Chartered NEA Limited Representative: Gregory John Powell (Note 2)																					
Director	Standard Chartered NEA Limited Representative: Ian Charles Anderson (Note 3)																					

1. Please describe the policy, system, criteria and structure of the Company's remuneration paid to independent directors, and the co-relations thereof against the roles and responsibilities, risks and time devoted by the independent directors:
The amount of remuneration paid by the Company to independent directors is determined according to the role (such as: chairman, members), the number and nature of participating committees, the frequency of meetings of various committees, and the external market data.

2. In addition to the information disclosed above, other remuneration distributed to the directors for provision of services to all companies included in consolidated financial statements (e.g. consulting service) in the most recent year: None.

Note 1: Hia Poh Lee Sebastian took office on 29 August 2024.
Note 2: Gregory John Powell resigned on 1 December 2024.
Note 3: Ian Charles Anderson resigned on 1 August 2024.

(2) Directors' Remuneration Bracket

Unit: NTD'000; %

Range of Remuneration Paid to Directors of the Bank	Name & No. of Directors (including INEDs)			
	Director's Remuneration Total of (A+B+C+D)		Remuneration Received by Directors who Are Also Employees Total of (A+B+C+D+E+F+G)	
	The Company	All companies included in consolidated financial statements	The Company	All companies included in consolidated financial statements
Less than 1,000				
1,000 (inclusive) – 2,000 (exclusive)				
2,000 (inclusive) – 3,500 (exclusive)	Ban-Ren Chen, Andrew James Hardacre, Hsiu-Ying Weng	Ban-Ren Chen, Andrew James Hardacre, Hsiu-Ying Weng	Ban-Ren Chen, Andrew James Hardacre, Hsiu-Ying Weng	Ban-Ren Chen, Andrew James Hardacre, Hsiu-Ying Weng
3,500 (inclusive) – 5,000 (exclusive)				
5,000 (inclusive) – 10,000 (exclusive)				
10,000 (inclusive) – 15,000 (exclusive)				
15,000 (inclusive) – 30,000 (exclusive)			Hia Poh Lee Sebastian, William Tze Hau Lau	Hia Poh Lee Sebastian, William Tze Hau Lau
30,000 (inclusive) – 50,000 (exclusive)				
50,000 (inclusive) – 100,000 (exclusive)			Ian Charles Anderson	Ian Charles Anderson
100,000 above				
Total	3	3	6	6

(II) Supervisors' Remuneration and Remuneration Bracket :

Not applicable.

(III) Executive Officers’ Remuneration and Remuneration Bracket

1. Executive Officers’ Remuneration

Unit: NTD'000; %

Title	Name	Salary (A)		Separation pay/Pension (B)		Bonus & Special Allowance (C)		Employees' Bonus Distributed from remunerations (D)				Total of (A, B, C, D) as a percentage (%) of net profit after tax		Remuneration from investment companies other than subsidiaries
		The Company	All companies included in consolidated financial statements	The Company	All companies included in consolidated financial statements	The Company	All companies included in consolidated financial statements	The Company		All companies included in consolidated financial statements		The Company	All companies included in consolidated financial statements	
								Cash dividend	Stock dividend	Cash dividend	Stock dividend			
Chief Executive Officer	Hia Poh Lee Sebastian (Note 1)	92,158	92,158	980	980	99,286	99,286	-	-	-	-	192,424 (3.69%)	192,424 (3.69%)	-
Chief Executive Officer	Ian Charles Anderson (Note 2)													
Chief Internal Auditor	Vivian Hung													
Head of Coverage, Corporate & Investment Banking	Connie Chu													
Head of Wealth and Retail Banking	Hia Poh Lee Sebastian													
Head of Markets	Wei-Lun Chao (Note 3)													
Chief Financial Officer	William Tze Hau Lau													
Chief Risk Officer	Etta Lin													
Head of Human Resources	Vickie Chen (Note 4)													
Chief Transformation Technology and Operations Officer	Sandy Chen													
Chief Compliance Officer	Miranda Liaw													
Head of Legal	Erick Yin													
Head of Corporate Governance	Cathy Li													
Interim Head of Corporate Affairs and Brand & Marketing	Kungju Chen (Note 5)													
Head of Corporate Affairs and Brand & Marketing	Jennifer Kang (Note 6)													

Note 1: Hia Poh Lee Sebastian took office as Chief Executive Officer and Head of Wealth and Retail Banking on 1 August 2024.

Note 2: Ian Charles Anderson was discharged as Chief Executive Officer on 31 July 2024.

Note 3: Wei-Lun Chao took office as Head of Markets on 5 December 2024.

Note 4: Vickie Chen was discharged as Head of Human Resources on 31 December 2024.

Note 5: Kungju Chen took office as Interim Head of Corporate Affairs and Brand & Marketing on 30 September 2024.

Note 6: Jennifer Kang was discharged as Head of Corporate Affairs and Brand & Marketing on 29 September 2024.

2. Executive Officers' Remuneration

Unit: NTD'000

Range of Remuneration Paid to Executive Officers of the Bank	Name & No. of Executive Officers	
	The Company	All companies included in consolidated financial statements
Less than 1,000	Wei-Lun Chao	Wei-Lun Chao
1,000 (inclusive) – 2,000 (exclusive)	Kungju Chen	Kungju Chen
2,000 (inclusive) – 3,500 (exclusive)		
3,500 (inclusive) – 5,000 (exclusive)		
5,000 (inclusive) – 10,000 (exclusive)	Vivian Hung, Miranda Liaw, Erick Yin, Cathy Li, Jennifer Kang	Vivian Hung, Miranda Liaw, Erick Yin, Cathy Li, Jennifer Kang
10,000 (inclusive) – 15,000 (exclusive)	Etta Lin, Sandy Chen, Vickie Chen	Etta Lin, Sandy Chen, Vickie Chen
15,000 (inclusive) – 30,000 (exclusive)	Hia Poh Lee Sebastian, Connie Chu, William Tze Hau Lau	Hia Poh Lee Sebastian, Connie Chu, William Tze Hau Lau
30,000 (inclusive) – 50,000 (exclusive)		
50,000 (inclusive) – 100,000 (exclusive)	Ian Charles Anderson	Ian Charles Anderson
100,000 above		
Total	14	14

(IV) Executive Officers whose Remuneration Ranks in the Top Five among Other Individual Officers in the Listed Companies:

Not applicable.

(V) Remuneration Distributed to Managers:

None.

(VI) Retired Chairman and Chief Executive Officer Who Have Been Re-hired as Consultant:

None.

(VII) Analysis of Remuneration Paid to Directors, Supervisors, and Executive Officers of the Company and All Companies in the Consolidated Financial Statements as a Percentage of Net Profit After Tax During the Past Two Years

	2024	2023
Directors	2.05%	2.01%
Supervisors	-	-
Executive Officers and Head of Audit	3.69%	4.21%

(VIII) Remuneration Policy, Procedures and Criteria for Determining Remunerations and their Correlation with Management Performance and Potential Risks

The Company's approach to performance, reward and benefits is consistent with effective risk management and the delivery of our strategy and values. The elements of the Company's remuneration are as follows:

Fixed remuneration: refers to base salary, allowances, and other benefits. Salaries reflect individual's skills and experience and are reviewed annually against market information and in the context of annual performance review and affordability. Benefits are provided to employees in line with relevant regulation and local market practice.

Variable remuneration: rewards that incentivise the achievement of the Company and business unit's as well as individual goals including the adherence to the Company's Valued Behaviours. All employees are subject to the Company's deferral mechanism, which applies a graduated level of deferral over a defined threshold. Variable remuneration is subject to the Company's Regulation of Variable Compensation Standard, which enables the Company to suspend payment or vesting of awards, apply in-year adjustments, apply malus to unvested awards, and apply claw-back to vested variable remuneration, in appropriate circumstances.

The proportion of fixed to variable remuneration awarded to employees is carefully monitored.

III. Corporate Governance Practices

(I) Practices of Board of Directors

8 meetings (A) were convened by the Board of Directors over that past one year. Attendance of directors in the meetings is specified as follows:

Title	Name (Note 1)	No. of Attendance in Person (B)	No. of Attendance by Proxy	Actual Attendance Ratio (%) (B/A) (Note 2)	Remarks
Chair	Standard Chartered NEA Limited Representative: Wai Yi Mary Huen	7	1	88%	
Director	Standard Chartered NEA Limited Representative: Gregory John Powell	6	2	75%	Stepped down on 1 December 2024
Director	Standard Chartered NEA Limited Representative: Ian Charles Anderson	5	0	100%	Stepped down on 1 August 2024
Director	Standard Chartered NEA Limited Representative: Xiaomin Rong	7	1	88%	
Director	Standard Chartered NEA Limited Representative: Hia Poh Lee Sebastian	2	1	67%	Took office on 29 August 2024
Director	Standard Chartered NEA Limited Representative: William TZE HAU Lau	8	0	100%	
INED	Standard Chartered NEA Limited Representative: Ban-Ren Chen	5	3	63%	
INED	Standard Chartered NEA Limited Representative: Hsiu-Yin Weng	8	0	100%	
INED	Standard Chartered NEA Limited Representative: Andrew James Hardacre	8	0	100%	

Other matters to be noted:

- Specify the date, term, content of the motion and all independent directors' opinions as the Company's response if any of the following conditions is met:
 - Matters specified in Article 14.3 of the Securities and Exchange Act : None.
 - Other board resolutions where independent directors have expressed objection or reservations that have been noted in the record or declared in writing: None.
- Avoidance of conflict of interest by directors: Information specifying the Directors' names, content of the motion, reasons for avoidance, and participation in the voting is in place.

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Term and Session	Name	Content of Motion	Reasons for Avoidance	Participation in the Voting
17 January 2024, 16 th Term 12 th Session	Wai Yi Mary Huen	APPROVAL FOR RELATED PARTY TRANSACTION OF UNDERWRITING SENIOR NOTE ISSUANCE FOR STANDARD CHARTERED PLC, STANDARD CHARTERED BANK, NEW YORK BRANCH OF STANDARD CHARTERED BANK, STANDARD CHARTERED BANK (SINGAPORE) LIMITED AND STANDARD CHARTERED BANK (HONG KONG) LIMITED	For SCBHK case, it is proposed that Ms. Wai Yi Mary Huen, the Director of SCBHK to excuse from the discussion and vote for this item to avoid any potential conflict of interest issue.	The related party did not exercise the voting right to the proposal, and the other Directors unanimously resolved that the proposal be approved.
17 January 2024, 16 th Term 12 th Session	Ian Charles Anderson and William Tze Hau Lau	APPROVAL OF 2023 TOTAL VARIABLE COMPENSATION PAYMENT	For approval of 2023 Total Variable Compensation Payment, it is proposed that Mr. Ian Charles Anderson and Mr. William Tze Hau Lau, the Executive Directors to excuse from the discussion and vote for this item to avoid any potential conflict of interest issue.	The related party did not exercise the voting right to the proposal, and the other Directors unanimously resolved that the proposal be approved.
31 May 2024, 16 th Term 16 th Session	Wai Yi Mary Huen	APPROVAL FOR RELATED PARTY TRANSACTION OF UNDERWRITING SENIOR NOTE ISSUANCE FOR STANDARD CHARTERED PLC, STANDARD CHARTERED BANK, NEW YORK BRANCH OF STANDARD CHARTERED BANK, STANDARD CHARTERED BANK (SINGAPORE) LIMITED AND STANDARD CHARTERED BANK (HONG KONG) LIMITED	For SCBHK case, it is proposed that Ms. Wai Yi Mary Huen, the Director of SCBHK to excuse from the discussion and vote for this item to avoid any potential conflict of interest issue.	The related party did not exercise the voting right to the proposal, and the other Directors unanimously resolved that the proposal be approved.
29 August 2024, 16 th Term 17 th Session	Wai Yi Mary Huen	APPROVAL OF APPLICATION OF THE ISSUANCE OF TIER 2 SUBORDINATED TERM BOND	For approval of Application of the Issuance of Tier 2 Subordinated Term Bond, it is proposed that Ms. Wai Yi Mary Huen, the Director of SCBHK to excuse from the discussion and vote for this item to avoid any potential conflict of interest issue.	The related party did not exercise the voting right to the proposal, and the other Directors unanimously resolved that the proposal be approved.
25 September 2024, 16 th Term 18 th Session	Wai Yi Mary Huen and Xiaomin Rong	ANNUAL RENEWAL OF GROUP MANDATE OF HON HAI GROUP	For approval of Annual Renewal of Group Mandate of Hong Hai Group, it is proposed that Ms. Wai Yi Mary Huen and Mr. Xiaomin Rong, the Directors of SCBHK to excuse from the discussion and vote for this item to avoid any potential conflict of interest issue.	The related party did not exercise the voting right to the proposal, and the other Directors unanimously resolved that the proposal be approved.

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Term and Session	Name	Content of Motion	Reasons for Avoidance	Participation in the Voting
15 November 2024, 16 th Term 19 th Session	Hia Poh Lee Sebastian and William Tze Hau Lau	APPROVAL OF 2024 ANNUAL AUDIT PLAN OF THE COMPANY	For approval of 2025 annual audit plan of the Company, it is proposed that Mr. Hia Poh Lee Sebastian and Mr. William Tze Hau Lau, the Executive Directors to excuse from the discussion and vote for this item to avoid any potential conflict of interest issue.	The related party did not exercise the voting right to the proposal, and the other Directors unanimously resolved that the proposal be approved.
15 November 2024, 16 th Term 19 th Session	Hia Poh Lee Sebastian and William Tze Hau Lau	APPROVAL OF 2025 ANNUAL AUDIT PLAN FOR SECURITIES BUSINESS	For approval of 2025 annual audit plan for Securities Business, it is proposed that Mr. Hia Poh Lee Sebastian and Mr. William Tze Hau Lau, the Executive Directors to excuse from the discussion and vote for this item to avoid any potential conflict of interest issue.	The related party did not exercise the voting right to the proposal, and the other Directors unanimously resolved that the proposal be approved.
15 November 2024, 16 th Term 19 th Session	Hia Poh Lee Sebastian and William Tze Hau Lau	APPROVAL OF THE PERFORMANCE EVALUATION AND REMUNERATION STANDARD	For approval of the Performance Evaluation and Remuneration Standard, it is proposed that Mr. Hia Poh Lee Sebastian and Mr. William Tze Hau Lau, the Executive Directors to excuse from the discussion and vote for this item to avoid any potential conflict of interest issue.	The related party did not exercise the voting right to the proposal, and the other Directors unanimously resolved that the proposal be approved.

3. Goals to enhance the function of the Board of Directors (e.g. establishment of the Audit Committee, improvement of information transparency, etc.) and evaluation of the execution status in the current and most recent years: With the aim to achieve information transparency, required documentation will be provided to the Board to ensure the directors have sufficient information prior to the Board meeting. The CEO also continues to lead the Taiwan Management Team to present business reports of their respective functions in quarterly main Board meetings and also report on the status of country economies, political and regulatory development of the country for the Board's reference. An Audit Committee was approved by the Board to establish on 24 November 2015. In accordance with the Terms of Reference of Audit Committee, there were 6 Audit Committee meetings which have been held in 2024.

Note 1: When a board of director or a supervisor is a legal person, the name of institutional shareholder and its representative(s) shall be disclosed.

Note 2: (1) For directors or supervisors (INEDs) who have left the Board before the end of the year, the resignation date should be specified in the remarks column. The actual (listed) attendance ratio (%) will be calculated based on the number of meetings and the actual number of attendance during their term of office.

(2) For directors or supervisors (INEDs) who have been re-elected before the end of the year, the names of new and old directors or supervisors (INEDs) shall be listed in the table, with election status and date of election specified in the remarks column. The actual (listed) attendance ratio (%) will be calculated based on the number of meetings and the actual number of attendance during their term of office.

(II) Practices of Audit Committee Meetings

6 meetings (A) were convened by the Audit Committee in 2024. Attendance of Independent Non-executive Directors in the meetings is specified as follows:

Title	Name	No. of Attendance in Person (B)	No. of Attendance by Proxy	Actual Attendance Ratio (%) (B/A) (Note 1 & Note 2)	Remarks
INED	Standard Chartered NEA Limited Representative: Ban-Ren Chen	5	1	83%	
INED	Standard Chartered NEA Limited Representative: Hsiu-Yin Weng	6	0	100%	
INED	Standard Chartered NEA Limited Representative: Andrew James Hardacre	6	0	100%	

1. Specify the date, term, content of the motion, contents of INEDs' objections, reservations or major proposals, Audit Committee resolutions and the Company's response to the Audit Committee's opinions if any of the following conditions is met:

(1) Matters specified in Article 14.5 of the Securities and Exchange Act: None.

(2) Other resolutions not consented by Audit Committee but have been approved by at least two-thirds of the Board: None.

2. Avoidance of conflict of interest by independent directors (information specifying the independent directors' names, content of the motion, reasons for avoidance, and participation in the voting): None.

3. Communication with the Chief Auditor and accountants (including communication methods and results pertaining to material matters of the Company's financial and business conditions).

INEDs are invited to attend meetings held by the Board of Directors and express their opinions, if appropriate; discuss issues of business operations with senior management of the Company, especially CFO and Chief Internal Auditor, to ensure full control of the Company's business and financial conditions, and hold discussion with accountants over the Company's financial statements. Based on Article 19 of "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries", the Company submitted internal audit reports to the INEDs every two weeks for their review and replied to any questions arising from the reports.

Note: (1) For independent directors (INEDs) who have left the Board before the end of the year, the actual attendance ratio (%) will be calculated based on the number of Audit Committee meetings and the actual number of attendance during their term of office.

(2) For independent directors (INEDs) who have been re-elected before the end of the year, the names of new and old INEDs shall be listed in the table, with election status and date of election specified in the remarks column. The actual attendance ratio (%) will be calculated based on the number of Audit Committee meetings and the actual number of attendance during their term of office.

Practices of Supervisors Attending the Board of Directors Meetings: Not applicable.

(III) Compulsory Disclosure in Accordance with Corporate Governance Best-Practice Principles for Banks

Please refer to the Company's website at <https://www.sc.com/tw/> and the website of Market Observation Post System ("MOPS") at <http://mops.twse.com.tw/>.

(IV) Current Status of the Company's Corporate Governance Practices and Its Comparison Against the Corporate Governance Best-Practice Principles for Banks

Assessment Item	Execution Status			Reasons of Discrepancies Between the Company's Corporate Governance Practices and the "Corporate Governance Best-Practice Principles for Banks"
	Yes	No	Description	
(I) Shareholdings structure and shareholders' equity				
1. Does a bank establish internal operating procedures for handling shareholders' recommendations, queries, disputes or litigation issues and are the procedures being followed accordingly?	✓		1. The Company is owned by a sole shareholder - Standard Chartered NEA Limited, and there are no disputes or litigation matters with the shareholder. Any recommendation or queries of the shareholder is raised to the Board of Directors for review and consideration. The Chair and the Chief Executive Officer of the Company address shareholder's recommendations and queries with prudence. No internal procedure is stipulated for this purpose.	No discrepancy
2. Is a bank the ultimate controller of the major shareholders?	✓		2. The Company is a subsidiary wholly owned by Standard Chartered NEA Limited, whose shareholding is 100% owned by Standard Chartered Bank (Hong Kong) Limited.	No discrepancy
3. Does a bank establish the risk control mechanism and firewalls between the Bank and its affiliated enterprises?	✓		3. The Company establishes the internal operation instruction for the credit and non-credit extension to related parties and affiliates of the Company pursuant to Article 45-1 of the Banking Act. Also, the restriction of credit extension to interested parties and related entities, the credit limits and control of the total credit balance that should be followed in granting credit to interested parties are conducted pursuant to Articles 32, 33, 33-1 to 33-2 of the Banking Act, and the Regulations governing the Authorization under Article 33 of the Banking Act as well as other relevant authorization letters and orders. Any credit extension to related parties and affiliates of the Company will be reported to the ALCO Committee on a monthly basis.	No discrepancy
(II) Composition and responsibilities of the Board of Directors				
1. Does a bank have a diversity policy and specific management goals?	✓		1. The Board had adopted the SCB Group Subsidiary Governance Standard for Banking Subsidiary that the guidelines for Board composition had been followed. The Board composition should consider the local regulatory requirement (pursuant to the Banking Act and Article 29 of the Corporate Governance Best-Practice Principles for Banks), and the skills and capabilities of directors taking in account the following, academic qualification, professional background (e.g. retail banking, corporate banking, M&A, investment banking, IT, audit, strategy...etc.), international experience, gender, age and prior board experience or chairmanship.	No discrepancy

↓ Continued

Assessment Item	Execution Status			Reasons of Discrepancies Between the Company's Corporate Governance Practices and the "Corporate Governance Best-Practice Principles for Banks"
	Yes	No	Description	
2. Except for the remuneration and audit committee, does a bank set up other functional committees voluntarily?	✓		2. Except for the authority required to be exercised by the Board of Directors under the law, the Board of Directors has delegated its authority, obligation and responsibility to the Chief Executive Officer, Executive Risk Committee and Asset and Liability Committee for their day-to-day management, operation and control of the Company's businesses. In addition, Sustainability Committee was established under the Board of Directors' appointment in January 2023, to approve and monitor the Company's sustainability strategy. The Board of Directors may, during the adjournment of the Board meeting, request the Chief Executive Officer to effectively supervise and review the Company's business operations, report the Company's business performance at the Board meetings, and escalate information through adequate reporting procedures to ensure necessary actions will be taken by the Board of Directors.	No discrepancy
3. Does a bank have procedures in place to conduct performance assessment of the Board of Directors annually, of which the results are submitted to the Board and used as reference in determining compensation for individual directors, their nomination and additional office term?	✓		3. Not applicable. The Company is a public company, not a listed OTC bank. The Board Effectiveness Review ("BER") is conducted annually. The results of BER, including improvement plans are submitted to the Board for discussion and continuous tracking.	No discrepancy
4. Does a bank evaluate independence of its CPA regularly?	✓		4. Evaluation on the independence of the CPA is conducted by the Company on a regular basis.	No discrepancy
(III) Does a bank have an adequate number of corporate governance personnel with appropriate qualifications, and appoint a chief corporate governance officer to be in charge of corporate governance affairs? The governance affairs include but not limited to furnishing information required for business execution by directors and supervisors, assisting directors and supervisors with legal compliance, handling matters relating to board meetings and shareholders meetings according to laws, and producing minutes of board meetings and shareholders meetings, etc.	✓		The Company has Corporate Governance in place and the appointment of Head of Corporate Governance was approved by the Board on 25 June 2019 to be responsible for corporate governance related matters, including but not limited to furnishing information required for business execution by directors and INEDs; handling matters relating to board meetings and shareholders meetings according to laws; assisting directors and INEDs in compliance with regulatory requirements; and producing minutes of board meetings and shareholders meetings, etc.	No discrepancy

Assessment Item	Execution Status			Reasons of Discrepancies Between the Company's Corporate Governance Practices and the "Corporate Governance Best-Practice Principles for Banks"
	Yes	No	Description	
(IV) Does a bank have communication channel in place with stakeholders (including but not limited to shareholders, employees, customers and suppliers), set up a dedicated stakeholders section on the official website, and adequately respond matters relating to corporate social responsibilities?	✓		The respective departments of the Company are fully responsible for dealing with stakeholders' complaints or rights in accordance with the relevant regulations and the Bona Fide Principle. Standard Chartered Bank (SCB) Supplier Charter is stated in tender document to supplier during tender process, SCB Supplier Charter is a formal position statement that details what SCB expects from its suppliers and those within the suppliers' sphere of influence. It outlines SCB values and brand promise and covers 6 areas: Ethics, Anti-Bribery and Corruption, Human Rights, Health and Safety Standards, Labour, and Protecting the Environment.	No discrepancy
(V) Information disclosure				
1. Does a bank establish a website where information regarding financial/business statements and corporate governance is disclosed?	✓		1. The Company has set up a corporate website. The financial/business statements and corporate governance related information have been disclosed on its official website or the Market Observation Post System in accordance with relevant regulations, and updated regularly.	No discrepancy
2. Are there any other disclosure channels of a bank (e.g. set up an English website, assign designated personnel to collect and disclose a bank's information, implement spokesperson system, or publish investors' conference on the website)?	✓		2. The Company has a dedicated department responsible for the collection and disclosure of corporate information, and the Chief Executive Officer is the spokesperson of the Company.	No discrepancy
3. Does a bank publicly announce and register annual financial reports within the regulated deadlines after the close of each fiscal year according to of the Banking Act and the Securities and Exchange Act and before the regulated deadlines publicly announce and register financial reports of the first, second, and third quarters of each fiscal year and the operating status for the preceding month?	✓		3. The Company publicly announces and registers annual financial reports within the regulated deadlines after the close of each fiscal year according to the related regulations of the Banking Act and the Securities and Exchange Act. The Q2 financial reports and the Company's operating status of each month are duly disclosed within the prescribed timelines.	No discrepancy

↓ Continued

Assessment Item	Execution Status			Reasons of Discrepancies Between the Company's Corporate Governance Practices and the "Corporate Governance Best-Practice Principles for Banks"
	Yes	No	Description	
(VI) Is there other information essential to understand the corporate governance of a bank (e.g. employee welfare, employee care, investor relations, stakeholder rights, training records of directors and supervisors, risk management policies and implementation of risk measurement criteria, implementation of customers' policies, liability insurance purchased by a bank for directors and supervisors, donations to political parties, stakeholders and charity groups, etc.)?	✓		▪ The Company's Directors (including INEDs) regularly participate in internal and external Corporate Governance trainings covering topics related to financial, risk management, business and other courses. The Directors (including INEDs) are responsible for instructing the employees at all levels to strengthen their professional and legal knowledge. The Company purchases the liability insurance for the Directors (including INEDs) on an annual basis. ▪ Pursuant to Article 16-1, Chapter 3 of the "Corporate Governance Best-Practice Principles for Banks", our donation to political parties, stakeholders and charity groups is required to be disclosed is as follows: ▪ Chinese Taipei Road Running Association (CTRRA) and the Garden of Hope Foundation ▪ To protect financial consumer rights and enhance the quality of customer services, the Company has set up relevant policies and systems based on the Financial Consumer Protection Act and other regulatory requirements, as the basis of the financial consumer right protection when the Company offers financial products/services to our clients. In addition, to build up the core culture of Treat Clients Fairly ("TCF") in the Company, the implementation status of TCF will be reported to the Board on a regular basis. ▪ The Company has set up a consumer protection area and service email box on its official website, as well as 24-hour customer hotline, providing a convenient complaint channel for the clients to ensure their needs and disputes are timely handled. The Company will follow its standard procedure to handle and reply the result of complaint cases to clients regardless of the channel that complaint cases come from (e.g. telephone, teller counter, letter, fax, media, or official letter from regulators).	No discrepancy
(VII) Specify the Company's remediation efforts and action plans for results provided in the most recent year's corporate governance evaluation report issued by the Corporate Governance Center of Taiwan Stock Exchange Corporation. (No need to specify if the Company is not included in the evaluation.): Not Applicable.				

(V) Organisational Structure, Responsibility and Operation of Remuneration Committee Established by the Company If Any: None.

(VI) Information on Promotion of Sustainable Development:

1. Information on Promotion of Sustainable Development

Promotion Items	Execution Status		
	Yes	No	Description
(I) Does a bank set up sustainable development framework and a dedicated unit to promote sustainable business, which is supervised by senior management, and the execution status is reported to the Board of Directors?	✓		A Sustainability Committee was established under the Board of Directors' appointment in January 2023 and holds meetings quarterly. In 2014, the Sustainability Committee held meetings in March, May, August and November and it will continue to consolidate and optimise the structure, climate strategy, and Climate Risk Management Policy to ensure the alignment of our climate management objectives with the regulatory expectations, and report to the Board on a regular basis.
(II) Does a bank conduct risk-based assessment on environmental, social and corporate governance aspects associated with the bank's business operations, and is there relevant risk management policy or strategy in place?	✓		The Company conducts assessments on the systems, measures, and implementation status of various aspects in the environmental protection, social participation and devotion, social services and charities, consumer right protection, human rights protection, safety and hygiene and other related corporate social responsibility activities. There are also risk management policies established for compliance by the Company's employees.
(III) Develop Sustainable environment			
1. Does a bank establish an adequate environmental management system based on characteristics of the industry?	✓		1. The Group operates in many countries vulnerable to environmental challenges, including the effects of climate change. Rather than simply continuing current business practices, the Company works to inspire and encourage our employees and clients to minimise their carbon emissions. This strategy is supported by senior management on the Group EcoNet, our environment coordinators' network.
2. Does a bank strive to improve efficiency of energy consumption and use renewable materials that have minimal impact to the environment?	✓		2. Standard Chartered Group's success in managing our environmental impact has been certified by the Leadership in Energy and Environmental Design (LEED) rating, an equivalent green building rating scheme. In Taiwan, the Company upholds sustainable development ideals by setting environmental management targets and reducing our carbon footprint through energy savings projects and waste sorting and recycling initiatives. Furthermore, together with supplier partners, we enhance the space efficiency and regularly monitor the lighting, air quality, and indoor greenery to help ensure the health, safety, and comfort of the working environment. In addition, the Company actively encourages our employees to participate in volunteer services to protect the environment and care for vulnerable groups in society as part of our corporate social responsibility.
3. Does a bank evaluate potential risks and business opportunities in face of climate change, and if corresponding measures are adopted to cope with relevant climate issues?	✓		3 & 4. In 2023 the Company has not only continuously adopted several practices to reduce carbon emissions and save energy, but also took active part in the globally renowned environmental protection activities. Employees were encouraged to reduce carbon emissions and save energy both at home and in the office. As a result, the use of energy and water reduced by approximately -0.9% and -9.4% respectively year-on-year. These practices include:

↓ Continued

Promotion Items	Execution Status		
	Yes	No	Description
4. Does a bank investigate greenhouse gas emissions, water consumption and overall waste volumes, and set up strategies for energy saving, emission reduction, greenhouse gas mitigation, water saving or waste disposal management?	✓		▪ Taskforces to monitor the conventional lighting of branches and main offices and replace them with LED energy-saving lighting; also, consider the lifetime of HVAC equipment, continuously replacing with equipment with higher efficiency and environment protective refrigerant in order to reduce energy consumption, carbon emission and refrigerant's impact to atmosphere. ▪ Newly renovated branches and offices are equipped with air conditioners, lighting and power & water supply facilities that met the environmental protection standards and energy savings certification; ▪ Implement limited hours on air-conditioning in main offices to lower energy consumption after office hours; ▪ Based on working hour to control lights on/off by timer or based on working type to control lights on/off by occupancy sensor in main offices; ▪ Continuously monitor the usage of electricity and water in main offices and look into any abnormality of utility usage and provide countermeasures thereof; ▪ Reduce the operation hours of signage lighting; ▪ Encourage staff to use the stairs instead of taking elevator; ▪ Install water-saving facilities in main offices and branches; ▪ Actively participate in global environment activities such as the "Earth Day" and increase environmental awareness amongst our staff; ▪ Actively reduce the use of Single-Use-Plastic products, which was certified with SUP (Single Use Plastic) Free by Group. ▪ On paper saving, the Company continues to promote paperless meetings, improve related meeting facilities and rigid measures on copying process, as well as track the paper usage in offices on a monthly basis to raise staff awareness on paper saving; ▪ In order to achieve friendly environment, save energy, reduce carbon emissions, and achieve the Group's goal of net-zero carbon emissions in 2025, we have started to evaluate, plan, purchase equipment since 2022, and installed solar power generation equipment in Taoyuan Sanmin and Hsinchu Zhongzheng Building. The project was started in February 2023, completed in April 2023 and officially started up in April 2023. It is currently in normal operation and continues to help the two office buildings reduce daily electricity consumption. ▪ From 2023, change the method of wastepaper disposal from incineration to pulping. It will not only reduce carbon emissions from using incinerator, but also achieve the goal of raw material sustainability through recycling of the pulp product. ▪ The IT Department focused on improving the efficiency and capacity of the Company's server, with the new one having several times higher than the old equipment. By introducing the server virtualisation technology, it has substantially reduced the number of hosts, the volume of power consumption, and the heat generated by machines, demonstrating our corporate social responsibility in energy saving and carbon reduction. ▪ The strategy for server virtualisation enforces to rebuild the services using new servers, replace and decommission the obsolete servers to minimise the potential impact to the business services. Our computer servers totaled 141 units in 2024. Comparing with 428 units in 2009, the reduction rate was 78.7%, reduction of 23,962 degrees of electricity per month; it means a reduction of 179,142kg carbon dioxide emissions per month, which is equivalent to planting 16,360 trees per year in Taiwan.

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Promotion Items	Execution Status		
	Yes	No	Description
			In addition, the Company has cooperated with the requirements of the Financial Supervisory Commission and begun to implement greenhouse gas inventory and verification starting from 2023. At the end of 2024, we have completed the inventory of greenhouse gas emission data in 2023 for Category 1, Category 2 and part of Category 4. The verification of emission data was also completed in April 2024, with an assurance certificate obtained in June 2024. The inspection result of 2023 data showed that the total emissions were 5,600.6 tons of equivalent carbon dioxide. After the 2024 annual inspection result is completed next year, the two-year data will be displayed side by side for comparison; in addition, the Company will use the inspection results to improve products or processes with higher emissions to achieve the Group's goal: net-zero carbon emission by 2025.
(IV) Social Issues			
1. Does a bank establish management policies and procedures in accordance with related laws and international human rights treaties?	✓		1. The Company complies with domestic labour laws to guarantee employees' legitimate rights and interests, treat all employees with fairness, and ensure a human labour's freedom of assembly and association as well as the rights of collective bargaining. We care about the disadvantaged minority, prohibit hiring child labour and preventing any kind of forced labour. We are committed to ensure equal opportunity in employment and prohibit the discrimination against any job applicant or employee on the basis of race, class, language, thought, religion, political party, place of origin, place of birth, gender, gender orientation, age, marital status, appearance, facial features, disability, or membership in any labour union. All above are fulfilled in details and practices of the Company's Collective Bargaining Agreement, HR policies and procedures, as well as Fair Accountability and Diversity & Inclusion policy.
2. Does a bank establish and carry out reasonable employee warfare package (including wages, annual leave and other benefits), and ensure payroll decisions adequately reflect the performance results?	✓		2. The Company believes that attracting, retaining and incentivising high quality employees is essential to delivering on our purpose and executing the strategy. In support of this, the Company's "Fair Pay Charter" sets out the principles used to determine and deliver pay for all employees. Regarding salary and benefit, the Company provides an appropriate mix of fixed and variable pay and a core level of benefits to ensure a minimum level of earnings and security to employees and to reflect the Company's commitment to wellbeing. The Company also participates the banking industry's total reward survey conducted by a 3rd party vendor annually to ensure offering competitive total reward package. Regarding performance and variable compensation, the Company sets clear expectations for how employees are rewarded and the principles guiding decisions, including clear personal objectives and feedback. Also, the Company ensures pay decisions reflect the performance of the individual, the business they work in and the Company, and recognise the potential, conduct, behaviours and values demonstrated by each individual. Last but not least, the Company provides clear communication of pay and performance decisions and seek feedback and input from employees on our pay structures and outcomes.
3. Does a bank provide a safe and healthy workplace for employees and conduct periodical health and safety trainings?	✓		3. The Company has formulated the Health and Safety Policy, implemented the health and safety management system (HSMS), held the health promotion activities, and conducted the H&S training according to the local occupational safety and health related regulations and Group internal standard in order to raise the H&S awareness of employees and to establish the health workplace culture.

 Continued

Promotion Items	Execution Status		
	Yes	No	Description
4. Does a bank establish effective career development plan for employees?	✓		To keep improving the performance of H&S, the Company not only implements the projects per the HSMS plan, but also submits the status to H&S Committee and Management Team Meeting for periodic review and follow-up. Employees are important assets of the Company. We believe to enhance the employees' wellbeing is the key to maintain their competitiveness. By conducting annual health check, providing consultation service and health management by professional medical personnel, holding wellness activities and health promotion lectures, setting multi-functional space, encouraging club activities and so on, we establish a workplace that support employees' wellbeing and increase their health performance. There were 4 occupational accidents in the Company throughout the year, with 4 persons injured, accounting for 0.17% of the total number of employees. These 4 occupational hazards were all employee falls. Accident analysis was conducted after the occurrence and the implementation of improvement measures was tracked. *Traffic accidents during commuting time are not included in the calculation. There was one fire incident in our bank premises throughout the year. Fortunately, there were no casualties. As those premises are insured with property insurance, losses have been minimised. We will strengthen inspections and environmental monitoring systems (BMS) in the future to protect the safety of personnel and properties. 4. The Company provides professional trainings for different business units or supporting functions. Frontline sales and services new joiners need to attend Day 1 Readiness training. Based on different job roles, the training programmes are designed with different training durations. New managers will join a series of virtual workshops - LEaDX, and supported with one to two months of post-course coaching sessions. There are also leadership programmes designed for managers at different levels. For those high potential talents with ambition, the Company also provides related trainings to help them pursuit and develop their career goals. Moreover, the Company also provides online/mobile learning platform – diSCover for colleagues to upskill and reskill themselves through self-learning.
5. Does a bank comply with relevant regulations and global standards to offer products and services that cater topics such as customers' health and safety, privacy, marketing and terms and conditions, as well as establish relevant policies and procedures for consumer rights protection and consumer complaints?	✓		5. Apart from compliance with the Personal Data Protection Act when collecting, processing, or using client's personal data, prior to offering financial products or services to the clients, the Company will, in accordance with the Financial Consumer Protection Act and local regulatory requirements, explain to clients the key contractual terms related to financial consumer rights of the financial products or services, and fully disclose the associated risks, in order to implement the Principle for Financial Service Industries to Treat Clients Fairly, and fulfill the regulatory requirements. The Company has entered into agreement with our vendors for client disputes resolution, which covers terms and conditions to define the response timeline, handling process and remedy plan. In regards to the consumer rights protection and customer services, the Company has its policy and procedure in place to address client feedbacks on a timely manner. Also, client opinions are incorporated into the product/service design. A 24-hr client hotline that serves as a smooth complaint filing channel, is provided to ensure clients' requirements and disputes are effectively taken care of. In addition, a dedicated online form is provided on the Company's website to collect client feedbacks and respond consumer disputes. Any client complaint, whether it is through telephone, teller counter, letter, fax, media and/or official letter from relevant regulator, will be addressed in compliance with the Company's standard process for handling client complaints. To efficiently process client complaints, a complaint management system is set up for tracking client complaints and results. In addition to reply and log complaint reasons, corrective actions and precautions on system by following the Customer Complaints DOI, reports of disputable cases are compiled and analysed on a monthly basis.

 Continued

Promotion Items	Execution Status		
	Yes	No	Description
6. Prior to engaging with a vendor, does a bank have the supplier management policy in place to regulate and monitor supplier's compliance status in areas of environmental protection, workplace safety and hygiene, or labour right protection?	✓		Disputes with greater recurrence rate are monitored of their corrective actions on continuous effort. Where any inconsiderate service is identified through the client complaints channel or satisfactory survey, for instance, a client is not served by our staff based on standard process, a problem is not adequately addressed and so on, all relevant departments will be informed, and corrective actions and precautions will be carried out immediately to protect clients' rights and interests. 6. The Company's brand promise "here for good" fully demonstrates our mission as well as over 150 years of business model. The Company is committed to ensure that it operates with high standards of social, ethical and environmental considerations in all aspects of its business. As a responsible corporate citizen, the Company expects its suppliers uphold consistent standards as we do in aspects of ethics, human rights, environments, health & safety, labour and environmental protection. The Company also has an obligation to ensure that our suppliers promote conservation or protection of the environment as part of their business operations. To implement the concept of environmental protection, the Company has selection process in place to develop specifications and recommendations for environmental friendly products as the preferred specification to review the efforts made by a supplier on the more environmentally sensitive products and the implementation of its corporate social responsibility system. The above has been incorporated as one of the selection criteria of suppliers, so that sourcing decisions will be made, to the extent practicable, to use a more environmental friendly product or service. For some relevant sourcing projects, The Company also requires the supplier to comply with the relevant Health and Safety regulation requirement. SCB Supplier Charter is indicated in the supplier registration process, which sets out the principles for the behavioural standard that the Company expects from all its suppliers, and those within a supplier's sphere of influence that assist them in performing their obligations to us. All references to the suppliers in this Charter therefore include the supplier's sphere of influence, which includes any subcontractors that the supplier uses. It outlines the Company's values and brand promise and covers 6 areas: Ethics, Anti-Bribery and Corruption, Human Rights, Health, Safety and Security Standards, Labour, Protecting the Environment. These principles have been drawn from the standards and values set down by the international organisations and conventions of which we are members or signatories. Supplier is required to agree it before participating the tender, also requested to be compliant with it during the contract execution period. In addition, every year the Company issues a supplier letter to remind the important information regarding SCB position on Sustainability, Anti-Bribery & Corruption Policy, Speaking Up, and eProcurement and Financial Policy, including a copy of Supplier Charter, to reiterate the Company's key policies and standards..
(V) Does a bank refer to any globally acceptable principles or guidelines to produce its corporate sustainability report for disclosing non-financial information of the bank? Is the foregoing report required to obtain an independent third party's opinion or assurance?		✓	The Company continues to disclose its sustainability achievements through various channels, e.g. the official website and press release. In addition, starting from March 2011, the Company is required to disclose donations to political parties, stakeholders and charity groups on the Company's website in accordance with Article 16.1, Chapter 3 of the Corporate Governance Best-Practice Principles for Banks.
(VI) In the event a bank has developed its own Corporate Social Responsibility Best Practice Principles pursuant to the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies, specify the practices and differences between the two Principles: Not Applicable			
(VII) Other important information that helps to understand the best practices of corporate social responsibility: None			

2. Climate Related Information of the Company

(1) Execution Status of Climate Related Information

* For more details, please refer to [2023 Task Force on Climate-related Financial Disclosures \("TCFD"\) Report](#). The 2024 Report will be published in June 2025.

Items	Execution Status
(1) Describe the Board of Directors and senior management's supervision and governance on matters relating to climate risks and opportunities.	In order to achieve the Group's goal of own operation net-zero in 2025 and financed emission net-zero in 2030, Standard Chartered adopts various methods to move towards net-zero carbon emissions. We followed recommendations mentioned in the "Guidelines for Domestic Banks' Climate Risk Financial Disclosure" to develop quantitative indicators and objectives, including the upskill of employees, reducing carbon emissions, promoting Sustainable Finance and reinforcing relationships with our partners. Together with the Group's goal to mobilise USD300 billion of Sustainable Finance between 2021 and 2030 and our climate-related opportunity identification, we continue enhancing our green operation and promote Sustainable Finance products such as green mortgage, project finance for renewable energy, sustainable-linked loan, and sustainable deposit to support the Company's ambition towards a net zero future. For operation actions, the specific plans are: 1. Installing solar power generation systems; 2. Replacing old and inefficient equipment with better efficiency; 3. Planning to purchase energy certificates. Please refer to Table 1-2 for more details. Also, climate risks, opportunities and organisational implications are overseen by the Board, Country Management Team, Executive Risk Committee (the "ERC") and Sustainability Committee. The Board is responsible for the long-term success of the Company, and its supporting committees consider climate-related risks and opportunities when reviewing and guiding strategic decisions. This governance structure maintains a sound system of internal control and risk management, approves the local sustainability strategy, and oversees the implementation progress. For the climate risk management, Standard Chartered refers to the characteristics of the impacted Principal Risk Types ("PRTs"). As an integrated risk type under the Enterprise Risk Management Framework ("ERMF"), the Company has embedded climate-related risks into the governance processes. For example, we've developed climate risk management processes in credit risk evaluation, which provides the baseline of effective risk assessment for client-level, portfolio-level, and project finance. On the other hand, to manage operational risk, we have undertaken a risk assessment to evaluate the impact of physical risks on our operational locations by utilising the National Science and Technology Center for Disaster Reduction's ("NCDR") database. Additionally, we follow the "Plan for Domestic Banks to Perform Climate Change Scenario Analysis" of Joint Credit Information Center ("JCIC"), to assess the impact of climate-related risks on our financial position under three scenarios. Based on the result, the Company will adopt appropriate risk management and monitoring measures to mitigate the impact of climate change on the Company's portfolio. More details will be disclosed in the 2024 Task Force on Climate-related Financial Disclosures ("TCFD"). As climate change leads to climate anomalies and extreme climate intensification, it's urgent to actively manage greenhouse gas emissions. As an international financial institution, the Company adheres to the goal of sustainable operation and continues to work on improving resource utilisation, reducing energy consumption, and ensuring the protection of the earth to sustain development. Here are the highlighted practices: 11. Accurately understand the Company's greenhouse gas emissions 2. Appropriate and rational use of energy required by the Company 3. Continue to promote greenhouse gas reduction and energy-saving measures, and have initiated research to explore carbon pricing related matters since not yet to implement internal carbon pricing. 4. Comply with regulatory requirements, meet clients' needs and other relevant regulations
(2) Describe how identified climate risks and opportunities will impact a company's short-medium- and long-term business, strategy and finance.	
(3) Describe the impacts of extreme climate events and transition plans on finance.	
(4) Describe how the identification, assessment and process management of climate risks can be integrated into the entire risk management system.	
(5) If scenario analysis is adopted to evaluate a company's resilience to climate change, please explain the scenarios, parameters, assumptions and risk factors being used and major financial impacts.	
(6) If there is transition plan in place to manage climate associated risks, please explain the content of the plan, the indicators/ objectives to identify and manage entity risk as well as transition risk.	
(7) If internal carbon pricing is used as a planning tool, please explain the basis of price setting.	

↓ Continued

Items	Execution Status
	5. Strengthen internal promotion of greenhouse gas management and external communication of greenhouse gas target performance 6. Continue to conduct education and training related to greenhouse gases to cultivate basic knowledge and awareness of climate change mitigation
(8) If a climate related objective is set, please explain all covered activities, scope of greenhouse gas emissions, planned timelines, and annual achievements, etc.; if carbon offset or renewable energy certificates (RECs) is used to achieve climate related objective, please explain the source and volume that carbon credit can be offset or the number of RECs.	For more details, please refer to the execution status above, Table 1-1 and Table 1-2.
(9) Greenhouse gas inventory and assurance information, as well as the objective, strategy and action plan to reduce the volume of greenhouse gas emissions (also fill out items in 1-1 and 1-2).	For more details, please refer to Table 1-1 and Table 1-2.

Table 1-1 Information on greenhouse gas inventory and assurance in recent two years

Basic information	Based on the "Sustainable Development Guidemap for TWSE- and TPEX-Listed Companies", the following shall be disclosed	
■ Banks, financial holding companies or bill finance companies with paid-in capital NTD10 billion or more □ Banks, financial holding companies or bill finance companies with paid-in capital NTD5 billion or more but less than NTD10 billion □ Banks, financial holding companies or bill finance companies with paid-in capital less than NTD5 billion	■ Parent company's gas inventory ■ Parent company's assurance	□ Subsidiary's gas inventory (consolidated financial statements) □ Subsidiary's assurance (consolidated financial statements)

2024 Gas inventory data					
Scope 1	Total Volume (CO2e in tons) *Note 1	Density (CO2e in tons/million dollar) *Note 2	The scope of data covered	Assurance institution	Assurance status
Parent company	391.9291	0.021	Including emissions from diesel used in generators, gasoline used in rental office vehicles, and refrigerant equipment	Complete assurance information will be disclosed in the 2024 TCFD .	
Total	391.9291	0.021			
Scope 2	Total Volume (CO2e in tons) *Note 1	Density (CO2e in tons/million dollar) *Note 2	The scope of data covered	Assurance institution	Assurance status
Parent company	4,247.0520	0.229	Electricity input for use in premises	Complete assurance information will be disclosed in the 2024 TCFD.	
Total	4,247.0520	0.229			
Scope 3	Total Volume (CO2e in tons) *Note 1	Density (CO2e in tons/million dollar) *Note 2	The scope of data covered	Assurance institution	Assurance status
Parent company	875.8715	0.047	Including upstream indirect emissions from purchased electricity and emissions from disposal and transportation of waste	Complete assurance information will be disclosed in the 2024 TCFD.	
Total	875.8715	0.047			

 Continued

2023 Gas inventory data					
Scope 1	Total Volume (CO ₂ e in tons)	Density (CO ₂ e in tons/million dollar) *Note2	The scope of data covered	Assurance institution	Assurance status
Parent company	398.4296	0.024	Including emissions from diesel used in generators, gasoline used in rental office vehicles, and refrigerant equipment	MIRDC	Of the total CO ₂ emissions disclosed by the Company, 398.4296 tons (accounting for 7.11 per cent of total emissions) have been provided a reasonable level of assurance by the assurance institution using ISO 14064-1:2018 / CNS14064-1:2021 standards.
Total	398.4296	0.024			
Scope 2	Total Volume (CO ₂ e in tons)	Density (CO ₂ e in tons/million dollar) *Note2	The scope of data covered	Assurance institution	Assurance status
Parent company	4,315.0458	0.259	Electricity input for use in premises	MIRDC	Of the total CO ₂ emissions disclosed by the Company, 4,315.0458 tons (accounting for 77.05% per cent of total emissions) have been provided a reasonable level of assurance by the assurance institution using ISO 14064-1:2018 / CNS14064-1:2021 standards.
Total	4,315.0458	0.259			
Scope 3	Total Volume (CO ₂ e in tons)	Density (CO ₂ e in tons/million dollar) *Note2	The scope of data covered	Assurance institution	Assurance status
Parent company	887.1386	0.053	Including upstream indirect emissions from purchased electricity and emissions from disposal and transportation of waste	MIRDC	Of the total CO ₂ emissions disclosed by the Company, 887.1386 tons (accounting for 15.84 per cent of total emissions) have been provided a limited level of assurance by the assurance institution using ISO 14064-1:2018 / CNS14064-1:2021 standards.
Total	887.1386	0.053			

Note 1: The total volume of 2024 CO₂ emissions has yet obtained verification from the assurance institution as of the printing date of the annual report.

Note 2: 2024 net income was NTD18,506 million; 2023 net income was NTD16,647 million.

Table 1-2 Objective, strategy and action plan to reduce the volume of greenhouse gas emissions

Items	Execution Status
Describe the base year for reducing the volume of greenhouse gas emissions and relevant figures, targets, strategies, action plans and achievement status.	In order to achieve the Group's goal of own operation net-zero by 2025, the Company adopts various methods to move towards net-zero carbon emissions. Relevant plans are as follows: 1. Installing solar power generation systems: Install solar power on the roof of the Company's own premises. In addition to providing the power for our own use, the excess power can be sold back to the Taipower grid outside rush hours. To date, two office buildings have been installed with the solar power generation systems, and three additional buildings in Miaoli are planned to be installed in 2024. 2. Replacing old and inefficient equipment with better efficiency: Evaluate the performance of equipment (air conditioning, lighting) every year, and promptly replace existing equipment that has expired or has low efficiency with the new one that meets energy-saving standards. In addition to reducing energy consumption and improving efficiency, the replacement will also help minimise destruction to the environment (such as the use of refrigerant and waste). 3. Planning to purchase energy certificates: The Group has purchased energy certificates through global procurement in other countries. Starting from 2024, the Company plans to cooperate with the Group and evaluate the purchase quantity; we will also look for local/foreign green energy suppliers and discuss the purchase of green energy certificates with a view to achieving the goal of net-zero carbon emissions by 2025.

(VII) Information on Ethical Corporate Management and Measures Adopted by the Bank: Implementation of Ethical Corporate Management

Assessment Item	Execution Status		
	Yes	No	Description
(I) Establish Ethical Corporate Management Policies and Programmes			
1. Does a bank clearly specify its ethical corporate management policies in internal rules and external documents, and if such management policies and commitment are materialized under the supervision of the Board of Directors and senior management?	✓		1. Promulgation of Legal and Compliance Principles and Prevention of Unethical Conduct: All of the Company's policies and procedures related to ethical corporate management are approved by the Board of Directors, followed by enforcement of each policy by its owners and subject to review on an annual basis. The Company has established policy and strategy relevant to "Treat Clients Fairly" approved by the Board. All businesses shall be carried out by complying with SCB Group's Ethical Management Policy, which has been incorporated as part of the employees' Code of Conduct. The Company's senior management is responsible for monitoring the implementation of the said policy in all business activities.
2. Does a bank establish a risk assessment mechanism against unethical conduct, periodically analyse and assess business activities within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programme accordingly? The said prevention programme shall at least include those stipulated in Article 7, Subparagraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.	✓		2. The Company has established "Code of Conduct and Ethics", "Anti-Bribery and Corruption Policy", "Donations Policy", "Gifts and Entertainment Standard", "Speaking Up Policy" and other internal policies and standards. The misconduct risk assessment is also in place to analyse and assess the risk. In addition, the role of Conduct Officer has been set up under CEO Office, who will report to the CEO directly and regularly provide the update of control effectiveness of conduct risk in country management committees, in order to prevent, timely-detect, and handle the staff's behavior that failed to meet the expected standards.
3. Does a bank set out in each programme the standard operating procedures, conduct guidelines, penalties for violations and appeal system with respect to a bank's operations and business?	✓		3. The "Code of Conduct and Ethics" of the Company encompasses the internal standards for various aspects, including but not limited to "Regulatory Compliance", "Combating Financial Crime", "Anti-Bribery and Corruption", "Management of Conflicts of Interest", and "Prohibition of Insider Dealing". All staff must comply with the "Code of Conduct and Ethics" and relevant policies, and regularly attend the training, which can only be passed with full marks, to ensure the staff is fully understood with the integrity management and is aware of its importance. In addition, the Company has set up the "Taiwan Disciplinary Standard", which clearly states the disciplinary criteria and its respective grievance procedure, to ensure staff's behavior that failed to meet the expected standards is well managed in a fair, timely, and consistent manner according to the Group's "Fair Accountability Principles". The "Code of Conduct and Ethics" and above-mentioned standards of the Company will be reviewed and amended periodically.

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Assessment Item	Execution Status		
	Yes	No	Description
(II) Implement Ethical Corporate Management			
1. Does a bank evaluate counterparty's records of ethical corporate management and clearly indicate terms of ethical behavior in the contracts?	✓		1. The Company set out a Supplier Charter which includes a number of principles for the behavioral standard that Standard Chartered expects from all its suppliers, and those within a supplier's sphere of influence that assist them in performing their obligations to the Company. One of major principles is that Standard Chartered expects its suppliers to conduct themselves ethically and morally and respect local laws, and strictly prohibits bribery and corruption in any form. Suppliers are encouraged to use the Company's secure Speaking Up web service to report all suspected cases, actual breaches or concealment of any forbidden acts. Terms regarding the ethical behavior have also been incorporated into the suppliers' contracts.
2. Does a bank set up a dedicated unit under the Board of Directors to promote the ethical corporate management and report regularly (at least once a year) its ethical management policy, preventative measures against unethical behaviors, as well as implementation status to the Board of Directors?		✓	2. Despite there is no dedicated unit in place, the Company's employees shall follow the plans, policies and procedures associated with Ethical Corporate Management adopted by the Company and approved by the Board of Directors, including "Treat Clients Fairly" and "Code of Conduct" of Standard Chartered Group. The Head of Conduct, Financial Crime & Compliance reports the implementation status of treat clients fairly, behavioral risk management and culture to the Board of Directors for supervision on a quarterly basis.
3. Does a bank establish any conflict of interest policy and provide an adequate reporting channel?	✓		3. The Company has established the "Conflicts of Interest Policy", "Transactional Conflicts and Information Walls Standards", "Close Financial Relationship Standards", "Outside Business Activities Standard" and relevant internal procedures, providing all staff the standard for declaring conflict of interest, and the proper channel for escalation. In addition, the Company delivers trainings to all staff on a quarter basis, the topics include but are not limited to "Code of Conduct and Ethics", "Anti-Bribery and Corruption Policy", "Gifts and Entertainment Standard", "Speak Up Policy" and "Conflicts of Interest Policy". By establishing policies and standards, and providing ongoing trainings, the Company is committed to have all staff understand the importance of declaring the conflicts of interest, and implementing the integrity management.
4. Does a bank establish effective accounting system and internal control system for implementation of its ethical corporate management, and if such systems are audited based on the assessment results of unethical behaviors by the internal auditor or by external CPA firm on a regular basis?	✓		4. Per the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries", Internal Audit has been approved to adopt a risk-based internal audit system. An annual audit plan shall be formulated, and implemented accordingly, based on risk assessment results and local regulatory requirements on audit frequencies. The Company has strict accounting system and related procedures in place for compliance with the "Regulations Governing the Preparation of Financial Statements by Public Banks", "Regulations Governing the Preparation of Financial Reports by Securities Firms", and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations developed by the International

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Assessment Item	Execution Status		
	Yes	No	Description
5. Does a bank conduct regular ethical management trainings held internally and externally?	✓		Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee endorsed by FSC as well as the "Sample of Accounting System for Banking Sector" stipulated by the Bankers' Association. In addition, the Company's financial statements are duly audited and certified by our CPA firm in accordance with relevant regulations and generally accepted auditing standards to ensure data accuracy. 5. The Company conducts several types of ethical management trainings for the above-mentioned policies and procedures, including regular e-learning courses and face-to-face or virtual curriculums.
(III) Implement Speak Up System			
1. Does a bank establish a concrete speak-up and reward system and set up a convenient reporting channel with designated personnel for handling speak-up cases?	✓		1. The Company has established the "Speaking Up Policy" and "Speaking Up Standard" to provide employees with a secure, confidential way to report concern about misconduct when existing escalation process to line management is not appropriate. The Conduct, Financial Crime and Compliance Department is accountable for ensuring that this Policy and its governance and assurance processes have been implemented. The Shared Investigative Services of Legal Department must ensure that adequate processes are in place to enable employees to Speak Up confidentially and to define how Speaking Up disclosures should be investigated and managed. If a Speaking Up disclosure is made against the director of the Board, the independent director or the executive management, the investigation report should be escalated to the Audit Committee for review and confirmation on the content.
2. Does a bank establish standard operating procedures for the investigation of reported misconduct, and if such completed investigation is adopted with corresponding tracking measures and proper confidentiality?	✓		2. Every reasonable effort must be made to maintain the confidentiality of employees raising the concern. Transmission of any information and documentation stemming from the "Speaking Up Policy" and "Speaking Up Standard" must only be passed to those who 'need to know'.
3. Does a bank establish a process to protect the discloser from unfair treatment for the speak-up?	✓		3. Shared Investigative Services must ensure that all Speaking Up disclosures assigned to them are recorded, reviewed and where appropriate, independently investigated. While the investigation is completed, a formal investigation report will be sent to Operation, Risk, Compliance and other related departments. Each department will take an appropriate action based on the risk severity.
(IV) Reinforce Information Disclosure Does a bank disclose the ethical corporate management and implementation status on its official website and MOPS?	✓		The Company has adopted the concept of Ethical Corporate Management and incorporated into internal guidelines in order to comply with the relevant regulatory requirements. In addition, the implementation result is revealed in annual report and official website which is deemed to be effective. The Company has disclosed regulatory required information on both official website as well as MOPS, including annual report, important financial information, and financial statements, etc.
(V) In the event the Bank has developed its own Ethical Corporate Management Best Practice Principles pursuant to the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies", specify the practices and differences between the two Principles: Not Applicable			
(VI) Other important information that helps to understand the best practices of the Bank's ethical corporate management (e.g. if the Bank is currently reviewing its own ethical corporate management best practice principles): None			

(VIII) Other Material Information

Please refer to the Company's website at <https://www.sc.com/tw/> and the website of Market Observation Post System ("MOPS") at <http://mops.twse.com.tw/>.

(IX) Implementation of Internal Control System

1. Internal Control System Statement



Internal Control System Statement Standard Chartered Bank (Taiwan) Limited

On behalf of Standard Chartered Bank (Taiwan) Limited (the "Company"), it is hereby certified that, from 1 January 2024 to 31 December 2024, the Company has duly complied with the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries" (the "Rules") in establishing an internal control system and implementing risk management procedures. The Company has been audited by an independent audit department that reports to the Board of Directors and Audit Committee regularly and has duly complied with the provisions of article 38, paragraph 5 and article 38-1 of the Rules, and the Self-Regulation on Information Security set by The Bankers Association of the Republic of China. With respect to the securities business, the Company has conducted an evaluation on the effectiveness of the design and implementation of its internal control system in accordance with the criteria provided in the "Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets", promulgated by the Securities and Futures Bureau of the Financial Supervisory Commission ("FSC"). With respect to the insurance agent business, the Company has conducted an evaluation on the effectiveness of the design and implementation of its internal control system in accordance with the criteria provided in the "Regulations Governing the Implementation of Internal Control and Audit System and Business Solicitation System of Insurance Agent Companies and Insurance Broker Companies". After a prudent evaluation, in addition to the items listed in the attached schedule, the Company's departments/units have been found to implement effective internal control and compliance systems during the year to which this Statement relates. This Statement shall become a major part of the annual report and prospectus of the Company and be made public. Any false representation or concealment in this Statement shall be subjected to legal consequences as stipulated in Articles 20, 32, 171 and 174 of the Securities and Exchange Act.

This Statement is submitted to the FSC by

Chairman :

(Signature)

Chief Executive Officer :

(Signature)

Head of Internal Auditor :

(Signature)

Chief Compliance Officer :

(Signature)

Chief Information Security Officer :

(Signature)



Issues and Corrective Actions for the Company's Internal Control System (As of 31 December 2024)

Issues for Improvement	Corrective Actions	Target Completion Date
The Company has reported a material incident in which inadequate planning and control measures for the door access control system upgrade resulted in operational disruptions at several branches. In response, the Financial Supervisory Commission issued a corrective letter to the Company on 21 November 2024.	1. The Company has conducted a comprehensive review of the planning, execution, and accountability for the door access control system upgrade. All branch door access control systems have now been upgraded to a higher security level to ensure system security and operational efficiency. 2. Corporate Real Estate Services has established a dedicated unit responsible for 24-hour monitoring of the door access control system. Additionally, communication and coordination mechanisms with vendors have been strengthened to enable prompt action when necessary, ensuring swift operational recovery and preventing similar incidents in the future. 3. The Company has further enhanced the test items within its annual branch contingency drill plan to ensure the feasibility and effectiveness of the corresponding response mechanisms.	Completed

2. Agreed Upon Procedures



Standard Chartered Bank (Taiwan) Limited Statement on Internal Control for Anti-Money Laundering and Countering the Financing of Terrorism

On behalf of Standard Chartered Bank (Taiwan) Limited (the "Company"), we hereby certify that, from 1 January 2024 to 31 December 2024, the Company has duly complied with relevant regulations governing anti-money laundering ("AML") and countering the financing of terrorism ("CFT") in establishing an internal control system, implementing risk management, designating an independent and objective internal unit to conduct audit, and submitting the audit report periodically to the Company's Board of Directors and Audit Committee. Following prudent evaluation, it is found that each unit of the Company has effectively implemented internal controls for AML/CFT during the year.

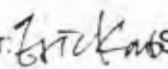
TO
Financial Supervisory Commission

Undersigned:

Chairman:  (Signature)

President:  (Signature)

Chief Auditor:  (Signature)

Chief AML/CFT Compliance Officer:  (Signature)

Date: 18 March 2025



**Issues and Corrective Actions for the Company's Internal Control System
(As of 31 December 2024)**

Issues for Improvement	Corrective Actions	Target Completion Date
Nil	Nil	NA

3. CPA's Special Audit Report on the Bank's Internal Controls



安永聯合會計師事務所

11012 台北市基隆路一段333號9樓
9F, No. 333, Sec. 1, Keelung Road,
Taipei City, Taiwan, R.O.C.

Tel: 886 2 2757 8888
Fax: 886 2 2757 6050
ey.com/rh_tw

Independent Auditors' Report on Internal Control

To the Board of Directors of Standard Chartered Bank (Taiwan) Limited,

We have performed the procedures agreed with Standard Chartered Bank (Taiwan) Limited ("the Company") with respect to the accuracy of the report submitted to the authority, the execution status of internal control and regulatory compliance, and the appropriateness of policies for loan loss reserves for the year ended December 31, 2024. The above procedures are determined ultimately by the Company. Therefore, we don't express our opinions on whether the procedures are sufficient or not. The service was provided in accordance with the Standard on Related Services 4400, *Engagement to Perform Agree-Upon Procedures Regarding Financial Information*, of the Republic of China. The purpose was to assist the Company in assessing its compliance with the *Implementation Rule of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries* ("the Regulation") issued by the Financial Supervisory Commission. The aforementioned compliance with the regulation is the responsibility of the Company's management. Please refer to the appendix for the procedures applied, period tested, sample size selected, and findings.

The work we performed is not in accordance with the Standards on Auditing of the Republic of China. We do not express any assurance to accuracy of the reports submitted to the regulatory authority, the statues on execution of internal control and regulatory compliance, and the appropriateness of policies for loan loss reverse. Had we performed additional procedures or had we performed an audit made in accordance with the Standards on Auditing of the Republic of China, other matters might have come to our attention that would have been reported to you.

The report is intended solely for the information and is used for the purpose mentioned in the first paragraph. It should not be used for any other purpose or by anyone other than these specified parties.

/s/ Lin, Shr-huan
Ernst & Young, Taiwan
March 21, 2025

Notes to Readers

The reader is advised that this report has been prepared originally in Chinese. In the event of a conflict between this report and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.



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Independent Auditors' Report on Internal Control

To the Board of Directors of Standard Chartered Bank (Taiwan) Limited,

We have audited the design and implementation of internal control system (include the financial reports submitted to the regulatory authority in accordance with the financial reporting internal control system) and compliance system for the insurance agent department of Standard Chartered Bank (Taiwan) Limited for the year ended December 31, 2024. Establishing and maintaining an adequate internal control system are management's responsibilities. Our responsibility is to express an opinion on the internal control system mentioned above for the insurance agent department of Standard Chartered Bank (Taiwan) Limited based on our audits.

We conducted our audits in accordance with the *Regulations Governing the Implementation of Internal Control and Audit System and Business Solicitation System of Insurance Agent Companies and Insurance Broker Companies*. The audit procedures include understanding and evaluating the design of the internal control system stated in the first paragraph; testing and evaluating the implementation of the internal control system stated in the first paragraph, as well as other procedures we deemed to be necessary. We believe that our audit provides a reasonable basis for our opinion.

An internal control system is subjected to inherent limitations. Therefore, the internal control system for the insurance agent department of Standard Chartered Bank (Taiwan) Limited stated in the first paragraph may fail to detect any errors or fraud that have occurred. Moreover, the degree of compliance with the internal control system may be reduced due to the uncertainty of external environment in the future. As a result, the effectiveness of internal control system in this period does not mean that it will be effective in the future.

In our opinion, the design and implementation of internal control system regarding to financial reporting (include the accuracy of the financial reports submitted to the regulatory authority in accordance with the financial reporting internal control system) and securing the assets (means preventing unauthorized acquisition, use, and disposition of assets), in all material respects, are in conformity with the *Regulation Governing the Implementation of Internal Control and Audit System and Business Solicitation System of Insurance Agent Companies and Insurance Broker Companies*. The design and implementation of compliance system is in conformity with related regulations.

/s/ Lin, Shr-huan
Ernst & Young, Taiwan
March 21, 2025

Notes to Readers

The reader is advised that this report has been prepared originally in Chinese. In the event of a conflict between this report and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

(X) Major Resolutions Made in Shareholders' Meetings, Board Meetings and Provisional Board Meetings

Date	Type of Meeting	Major Resolution	Execution Status
7/01/2024	Monthly Meeting of Board of Directors	1. UPDATE ON IMPLEMENTATION OF TCF PRINCIPLES BY FINANCIAL INDUSTRY 2. APPROVAL FOR RELATED PARTY TRANSACTION OF UNDERWRITING SENIOR NOTE ISSUANCE FOR STANDARD CHARTERED PLC, STANDARD CHARTERED BANK, NEW YORK BRANCH OF STANDARD CHARTERED BANK, STANDARD CHARTERED BANK (SINGAPORE) LIMITED AND STANDARD CHARTERED BANK (HONG KONG) LIMITED 3. APPROVAL OF 2023 TOTAL VARIABLE COMPENSATION 4. UPDATE ON 2022 to 2023 BOARD EFFECTIVENESS REVIEW RESULT	1. Approve to execute as per resolution 2. Approve to execute as per resolution 3. Approve to execute as per resolution 4. Approve to execute as per resolution
02/02/2024	Ad-hoc Meeting of Board of Directors	1. APPROVAL REQUEST FOR TEMPORARY BREACH OF RISK APPETITE ON INDUSTRY CONCENTRATION FOR CORPOATE, COMMERCIAL AND INSTITUTIONAL BANKING, CLIENT COVERAGE	1. Approve to execute as per resolution
12/03/2024	Quarterly Meeting of Board of Directors	1. ANNUAL REVIEW OF POLICY FOR THE DISCLOSURE OF CAPITAL ADEQUACY AND RISK MANAGEMENT RELATED INFORMATION 2. ATTESTATION REQUEST IN SUPPORT OF PRA INTRAGROUP WAIVER APPLICATION 3. APPROVAL OF 2023 ANNUAL FINANCIAL STATEMENTS, B NK CULTURE AND CONDUCT RISK MANAGEMENT 7. UPDATE ON IMPLEMENTATION OF TCF PRINCIPLES BY FINANCIAL INDUSTRY 8. APPROVAL OF AMENDMENT TO INTERNAL AUDIT CHARTER 9. APPROVAL OF EXTERNAL FIRM ON QUALITY ASSURANCE 10. ANNUAL ASSESSMENT ON BUSINESS CONTINUITY MANAGEMENT 11. APPROVAL OF RELATED PARTY TRANSACTION-FINANCIAL MARKET OPERATION SERVICE OUTSOURCING 12. APPROVAL OF PROPERTY SERVICES AND ASSET & TRANSACTION MANAGEMENT COUNTRY ORDER FORMS (Sahar Asia) 13. APPROVAL OF DIVESTMENT OF NEIHU BRANCH 1F	1. Approve to execute as per resolution 2. Approve to execute as per resolution 3. Approve to execute as per resolution 4. Approve to execute as per resolution 5. Approve to execute as per resolution 6. Approve to execute as per resolution 7. Approve to execute as per resolution 8. Approve to execute as per resolution 9. Approve to execute as per resolution 10. Approve to execute as per resolution 11. Approve to execute as per resolution 12. Approve to execute as per resolution 13. Approve to execute as per resolution

 Continued

Date	Type of Meeting	Major Resolution	Execution Status
29/05/2024	Ad-hoc Meeting of Board of Directors	1. APPOINTMENT OF SENIOR EXECUTIVE OFFICER	1. Approve to execute as per resolution
31/05/2024	Quarterly Meeting of Board of Directors	1. APPROVAL OF 2023 ANNUAL REPORT 2. APPROVAL OF 2023 FINANCIAL STATEMENTS, BUSINESS REPORT, AND PROFIT ALLOCATION STATEMENT OF THE COMPANY 3. APPROVAL OF THE APPLICATION OF OFFERING PRODUCTS AND SERVICES TO HIGH NET WORTH CUSTOMER 4. APPROVAL OF 2024 BRANCH OPTIMISATION PLAN 5. AMENDMENT OF RISK TYPE FRAMEWORK 6. UPDATE ON IMPLEMENTATION OF TCF PRINCIPLES BY FINANCIAL INDUSTRY 7. APPROVAL OF ACCESSION TO THE INTRA GROUP ARRANGEMENT CONTRACTUAL FRAMEWORK 8. APPROVAL OF DIVESTMENT OF BADE BUILDING 9. APPROVAL FOR RELATED PARTY TRANSACTION OF UNDERWRITING SENIOR NOTE ISSUANCE FOR STANDARD CHARTERED PLC, STANDARD CHARTERED BANK, NEW YORK BRANCH OF STANDARD CHARTERED BANK, STANDARD CHARTERED BANK (SINGAPORE) LIMITED AND STANDARD CHARTERED BANK (HONG KONG) LIMITED	1. Approve to execute as per resolution 2. Approve to execute as per resolution 3. Approve to execute as per resolution 4. Approve to execute as per resolution 5. Approve to execute as per resolution 6. Approve to execute as per resolution 7. Approve to execute as per resolution 8. Approve to execute as per resolution 9. Approve to execute as per resolution
29/08/2024	Ad-hoc Meeting of Board of Directors	1. DIRECTORATE 2. APPROVAL OF 2024 FIRST SEMI-ANNUAL AUDITED FINANCIAL STATEMENTS OF THE COMPANY 3. APPROVAL OF APPLICATION OF THE ISSUANCE OF TIER 2 SUBORDINATED TERM BOND	1. Approve to execute as per resolution 2. Approve to execute as per resolution 3. Approve to execute as per resolution
25/09/2023	Quarterly Meeting of Board of Directors	1. ANNUAL RENEWAL OF GROUP MANDATE OF HON HAI GROUP 2. UPDATE ON IMPLEMENTATION OF TCF PRINCIPLES BY FINANCIAL INDUSTRY 3. APPROVAL OF THE IMPLEMENTATION OF MANAGEMENT RESPONSIBILITY MAP	1. Approve to execute as per resolution 2. Approve to execute as per resolution 3. Approve to execute as per resolution
15/11/2024	Quarterly Meeting of Board of Directors	1. APPROVAL OF 2025 STRATEGY OF THE COMPANY 2. APPROVAL OF 2025 ANNUAL BUDGET OF THE COMPANY 3. APPROVAL OF THE CHANGE OF THE SIGNING CERTIFIED PUBLIC ACCOUNTANT OF THE COMPANY 4. APPROVAL OF 2024 REMUNERATION OF THE CERTIFIED PUBLIC ACCOUNTANT OF THE COMPANY	1. Approve to execute as per resolution 2. Approve to execute as per resolution 3. Approve to execute as per resolution 4. Approve to execute as per resolution

 Continued

Date	Type of Meeting	Major Resolution	Execution Status
		5. UPDATE ON IMPLEMENTATION OF TCF PRINCIPLES BY FINANCIAL INDUSTRYc 6. APPROVAL OF 2025 ANNUAL AUDIT PLAN OF THE COMPANY 7. APPROVAL OF 2025 ANNUAL AUDIT PLAN FOR SECURITIES BUSINESS 8. APPROVAL OF THE PERFORMANCE EVALUATION AND REMUNERATION STANDARD 9. UPDATE ON 2023-2024 BOARD EFFECTIVENESS REVIEW AND AUDIT COMMITTEE EFFECTIVENESS REVIEW	5. Approve to execute as per resolution 6. Approve to execute as per resolution 7. Approve to execute as per resolution 8. Approve to execute as per resolution 9. Approve to execute as per resolution
07/03/2025	Ad-hoc Meeting of Board of Directors	1. APPROVAL OF 2024 ANNUAL FINANCIAL STATEMENTS, BUSINESS REPORT AND PROFIT ALLOCATION STATEMENT 2. APPROVAL OF THE APPLICATION OF ASSET MANAGEMENT CENTRE 2.0 3. APPROVAL OF 2024 TOTAL VARIABLE COMPENSATION 4. APPOINTMENT OF HEAD OF CORPORATE AFFAIRS AND BRAND & MARKETING 5. APPOINTMENT OF HEAD OF HUMAN RESOURCES 6. APPROVAL OF TWO NONE-CORE PROPERTIES DIVESTMENT	1. Approve to execute as per resolution 2. Approve to execute as per resolution 3. Approve to execute as per resolution 4. Approve to execute as per resolution 5. Approve to execute as per resolution 6. Approve to execute as per resolution
18/03/2025	Quarterly Meeting of Board of Directors	1. DIRECTORATE 2. APPROVAL OF FOLLOW-ON FINANCIAL INVESTMENT IN LINE BANK 3. ANNUAL REVIEW OF TAIWAN RISK APPETITE STATEMENT 4. UPDATE ON BANK CULTURE AND CONDUCT RISK MANAGEMENT 5. UPDATE ON IMPLEMENTATION OF TCF PRINCIPLES BY FINANCIAL INDUSTRY 6. APPROVAL OF 2024 INTERNAL CONTROL SYSTEM STATEMENTS 7. ANNUAL ASSESSMENT ON BUSINESS CONTINUITY MANAGEMENT 8. APPROVAL FOR RELATED PARTY TRANSACTION OF UNDERWRITING SENIOR NOTE ISSUANCE FOR STANDARD CHARTERED PLC, STANDARD CHARTERED BANK, NEW YORK BRANCH OF STANDARD CHARTERED BANK, STANDARD CHARTERED BANK (SINGAPORE) LIMITED AND STANDARD CHARTERED BANK (HONG KONG) LIMITED 9. APPOINTMENT OF CHIEF FINANCIAL OFFICER 10. UPDATE ON 2024 BER RESULT 11. DIRECTORATE/CHAIR ELECTION	1. Approve to execute as per resolution 2. Approve to execute as per resolution 3. Approve to execute as per resolution 4. Approve to execute as per resolution 5. Approve to execute as per resolution 6. Approve to execute as per resolution 7. Approve to execute as per resolution 8. Approve to execute as per resolution 9. Approve to execute as per resolution 10. Approve to execute as per resolution 11. Approve to execute as per resolution

(XI) Disagreement Record or Written Statement of the Directors or Supervisors against the Important Resolutions Made by the Board Meetings:

None.

↓ Continued

IV. Information on the Professional Fees of the Attesting CPAs

Unit : TWD'000

Name of CPA Firm	Name of CPA	Audit Period	Audit Fee	Non-audit Fee	Total	Remark
Ernst & Young Taiwan	Shr-Huan Lin / Cheng-Tao Chang	FY2024	11,535	3,367	14,902	Non-audit Fee: 1. Internal Control 2. Anti-Money Laundering and Counter Financing of Terrorism 3. Personal Data Protection 4. Capital Adequacy Ratio 5. CPA Assessment Report on Eligibility of the Company to Issue the Debentures
	Cheng-Tao Chang / Chieh-Che Huang	HY2024				

(I) Change of CPA firm and the audit fee for the year of change is less than that charged for the previous year:

None.

(II) Auditing fee is 10% less or more below the fee charged for the previous year:

None.

V. Information on Change of CPA:

(I) The former certified public accountant

Date of replacement of the certified public accountant	15 November 2024		
Reason for replacement of the certified public accountant	Job rotation within Ernst & Young, Taiwan		
Specifying whether it was the certified public accountant that voluntarily ended the engagement or declined further engagement, or the Company that terminated or discontinued the engagement	Party	CPA	The Company
	Status		
	Voluntarily ended the engagement		
	Declined further engagement	V	
If the former certified public accountant issued an audit report expressing other than an unqualified opinion during the 2 most recent years, furnish the opinion and reason.	None		
Any disagreement between the Company and the former certified public accountant	None		Accounting principles or practices
			Financial report disclosure
			Auditing scope or procedure
			Others
Other items disclosed (pursuant to item 1 to (4) of Subsection 6, Article 10 of the Regulations)	None		

(II) The successor certified public accountant

Name of CPA Firm	Ernst & Young Taiwan
Name of CPA	Shr-Huan Lin
Date of Engagement	15 November 2024
Prior to the formal engagement of the successor certified public accountant, the consultations and the consultation results regarding the accounting treatment of or application of accounting principles to a specified transaction, or the type of audit opinion that might be rendered on the Company's financial report	None
Written views from the successor certified public accountant regarding the matters on which the Company did not agree with the former certified public accountant	None

(III) The Reply Letter from the Former Certified Public Accountant Pursuant to Item 1 and Item 2 to (3) of Subsection 6, Article 10 of the Regulations:

Not applicable due to the change is within the same accounting firm.

VI. Name, Title, and Service Period of the Company's Chair, President or Executive Officer(s) in Charge of Financial and Accounting Affairs Who Has Served a Position in an Independent Auditing Firm to Which the CPAs Belong or Its Affiliate(s) During the Past Year: None.

VII. Disclosure of Changes in Shareholding, Share Transfer and Pledge Held by Directors, Supervisors, Executive Officers, and Other Individuals of the Company Pursuant to Article 11 of the Regulations Governing A Same Person or Same Concerned Party Holding the Issued Shares with Voting Rights over a Particular Ratio of a Bank: None.

VIII. Information on Top 10 Shareholders Who Are Related Parties, Spouses, or Relatives within 2nd Degree Relationship: None.

IX. The Shares and Consolidated Shareholding Ratios of the Same Investees Directly and Indirectly Held by the Company, the Company's Directors, Supervisors, Executive Officers, Function Heads, Branch Managers

Unit : Share; %

Name of Investee Company	The Company's Investment		Investment by Directors, Supervisors, Executive Officers, Function Heads, Branch Managers and the Entities Directly or Indirectly Controlled by the Company		Comprehensive Investment	
	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio
Taiwan Small and Medium Enterprises Development Co., Ltd.	3,417,440	4.84%	-	-	3,417,440	4.84%
Universal Venture Fund Co., Ltd.	390,778	4.76%	-	-	390,778	4.76%
Financial Information Service Co., Ltd.	7,719,075	1.14%	-	-	7,719,075	1.14%
Windance Co., Ltd.	18,850,000	2.73%	-	-	18,850,000	2.73%
Taiwan Financial Asset Service Co., Ltd.	5,000,000	2.94%	-	-	5,000,000	2.94%
Sunny Asset Management Corp.	84,980	1.42%	-	-	84,980	1.42%
LINE Bank Taiwan Limited	81,250,000	5.42%	-	-	81,250,000	5.42%

III. Information on Capital Raising Activities

- 72 Capital and Shares
- 74 Issuance of Financial Debentures
- 76 Preferred Stocks, Overseas Depositary Receipts, Employee Stock Options, and Restricted Stock Awards
- 76 Acquisitions or Assignment Involving Other Financial Institutions
- 76 Capital Utilisation Plan and Execution Status

25,000 runners gather and join the track at The 2024 Standard Chartered Taipei Charity Marathon.



I. Capital and Shares

(I) Source of Capital

Unit : Share; NTD

Month & Year	Issues Price	Authorised Capital		Paid-in Capital		Remark	
		No. of Shares	Amount	No. of Shares	Amount	Source of Capital	Other
June 2007	-	2,500,000,000	25,000,000,000	1,664,516,726	16,645,167,260	(Note 1)	Approved by the Financial Supervisory Commission on 14 June 2007.
June 2007	20	2,500,000,000	25,000,000,000	493,055,250	4,930,552,500	Capital increase by cash common stock (Note 2)	Refer to the letter from the Investment Commission of MOEA with Ref. No.: Jing-Shen-IZi-09600211280 dated 28 June 2007.
December 2008	20	2,500,000,000	25,000,000,000	328,000,000	3,280,000,000	Capital increase by cash common stock	Refer to the letters from the Investment Commission of MOEA with Ref. No.: Jing-Shen-IZi-09700428790 and Jing-Shen-IZi-09700399430 on 24 November 2008 and 25 November 2008 respectively.
December 2009	20	3,000,000,000	30,000,000,000	425,000,000	4,250,000,000	Capital increase by cash common stock	Refer to the letter from the Investment Commission of MOEA with Ref. No.: Jing-Shen-IZi-09800476140 dated 22 December 2009.

Note 1: Standard Chartered Bank acquired over 95% common stock of Hsinchu International Bank ("HIB") in 2006. HIB was delisted afterwards. It is the capital after the acquisition of HIB.

Note 2: Following the capital increase by cash in June 2007, Standard Chartered Bank Taipei Branch officially merged with HIB on 30 June 2007 and renamed to "Standard Chartered Bank (Taiwan) Limited" on 2 July 2007.

Type of Stock	Authorised Capital			Remark
	Outstanding Shares	Unissued Shares	Total	
Common stock	2,910,571,976	89,428,024	3,000,000,000	Unlisted stock

(II) List of Major Shareholders

As of 31 March 2025

Name of Major Shareholders	Shares	Number of Shares	Shareholding (%)
Standard Chartered NEA Limited		2,910,571,976	100

(III) Dividend Policy and Enforcement

Refer to Earnings Appropriation and Dividend Policy in Financial Statements of Appendix 1 on page 65-66.

(IV) Impact of Stock Dividends on Business Performance and EPS

Not Applicable.

(V) The Remuneration to Employees, Directors, and Supervisors

1. The ratio or range of remuneration to employees, directors, and supervisors as set forth in the Articles of Association: Refer to Earnings Appropriation and Dividend Policy in Financial Statements of Appendix 1 on page 65-66.
2. The estimated basis for the compensation of employees, directors and supervisors in the current period, the calculation basis for the number of shares of employee compensation distributed by stocks, and the accounting treatment if the actual distribution amount is different from the estimated amount: Refer to the Employee Benefits Expense in Financial Statements of Appendix 1 on page 76-77.
3. Proposal for the distribution of employees' remuneration resolved by the Board of Directors: Refer to the Employee Benefits Expense in Financial Statements of Appendix 1 on page 76-77.
4. Earnings in the previous year allocated to the remuneration to employees, directors and supervisors: Refer to Earnings Appropriation and Dividend Policy in Financial Statements of Appendix 1 on page 65-66.

(VI) Share Buyback History

None.

II. Issuance of Financial Debentures

Type of Financial Debenture	2 nd Financial Debenture in 2014	1 st Financial Debenture in 2024
Date of Approval & Approval Document No.	Jin-Guan-Yin-Waizi-10300328080	Jin-Guan-Yin-Waizi-1130231521
Date of Issuance	18/12/2014	6/12/2024
Par Value	USD1,000,000	USD300,000 (thousand)
Location of Issuance and Trading	Taiwan, R.O.C	Taiwan, R.O.C
Currency	US Dollar	US Dollar
Issue Price	100	100
Total Amount	200,000 (thousand)	300,000 (thousand)
Interest Rate	Fixed Rate 4.5%	Floating Rate Compounded Daily SOFR+2.04%
Maturity	10 years (matured on 18 December 2024)	10 years (matured on 6 December 2034)
Seniority	Subordinated	Subordinated
Guarantor	N/A	N/A
Trustee	N/A	N/A
Underwriter	Institutions with financial advisory license: Yuanta Securities	Institutions with financial advisory license: Yuanta Securities
Certifying Attorney	Lee and Li Attorneys-at-Law: Robin Chang	Baker & McKenzie: Hao-Ray Chang
Certifying Accountant	N/A	N/A
Certifying Financial Institution	N/A	N/A
Repayment Method	Interest paid semi-annually, and full payment on principal upon maturity	Interest paid quarterly, and full payment on principal upon maturity
Balance Outstanding	0	300,000 (thousand)
Paid-in Capital in Previous Year	29,105,720 (thousand)	29,105,720 (thousand)
Audited Net Worth in Previous Year	41,338,012 (thousand)	47,445,270 (thousand)

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Repayment Status	Normal	Normal
Terms of Redemption or Early Repayment	The issuer shall redeem the financial debenture with full principal upon maturity on 18 December 2024. No early redemption is allowed.	After 5.5 years of issuance, the Company can redeem the bond with principal and accrued interest (postpone to the next business day if the redemption date is not a business day, but not exceeding the next month) if one of the following conditions are met and the Company obtains prior approval from the competent authority. a. The ratio of regulatory capital to risk-weighted assets after being redeemed shall meet the minimum rate stated in the “Regulations Governing the Capital Adequacy and Capital Category of Banks” and any amendment thereof; or b. Replacing the original capital instrument with a capital instrument which is equivalent or with higher quality. The Company will inform the holder of the bond 14 days prior to the redemption date to exercise the right to redeem the bond with aggregate principal and accrued interest.
Terms and Conditions of Conversion and Exchange	N/A	N/A
Restriction Clause	N/A	N/A
Capital Utilisation	To support the Company's total capital adequacy ratio and provide fundings for future business growth	To replace the subordinated bond due in December 2024, support the Company's total capital adequacy ratio and provide fundings for future business growth
Amount of declared issuance plus previous outstanding balance as percentage of audited net worth of the previous fiscal year (%)	129%	34%
Whether accounted for equity capital and type of capital	Yes, Tier II	Yes, Tier II
Name of credit rating agency, date and credit rating	Fitch Rating, AA+(twn), 18 December 2014	Taiwan Ratings Corp, twAA+, 20 August 2024

III. Preferred Stocks, Overseas Depository Receipts, Employee Stock Options, and Restricted Stock Awards:

None

IV. Acquisitions or Assignment Involving Other Financial Institutions:

None

V. Capital Utilisation Plan and Execution Status

(I) Capital Utilisation Plan

The Company issued subordinated bond with the amount of USD300 million to related party Standard Chartered Bank (Hong Kong) Limited, in order to replace the subordinated bond due in December 2024, support the Company's total capital adequacy ratio and provide fundings for future business growth. This issuance was approved in the Company's Board meeting dated 29 August 2024; it was published in the Market Observation Post System on 26 November 2024.

(II) Execution Status of the Capital Utilisation Plan

1. The Company issued a subordinated bond in the amount of USD300 million to boost its Tier II capital adequacy ratio.
2. The Company's medium and long-term loans and capital adequacy ratios:

Unit : NTD'000 ; %

	31 December 2024	31 December 2023	31 December 2022
Medium and Long Term Loan	291,802,185	262,316,332	254,634,958
Increase / (Decrease)	29,485,853	7,681,374	4,820,472
Capital Adequacy Ratio	16.76%	15.46%	16.34%
Increase / (Decrease)	1.3%	(0.88%)	1.92%

IV. Overview of Operations

78	Scope of Business
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The WiE (Women in Entrepreneurship) programme encourages outstanding female entrepreneurs to pursue their dreams.



I. Scope of Business

(I) Primary Business of Respective Business Division

1. Wealth and Retail Banking

Wealth and Retail Banking is responsible for the acquisition and maintenance of individual and SME clients, as well as the provision of deposits, lending and wealth management products and services to these clients.

2. Corporate and Investment Banking

Corporate and Investment Banking mainly serves medium to large corporate and institutional clients with needs for trade finance or international cash management. Financial services provided include short-term loans for working capital, mid-term or long-term financing, import and export trade financing, supply chain financing, cash management, foreign exchange services, securities services, risk management, capital raising and corporate internet banking, etc.

(II) Ratio of Major Businesses and Changes

1. Ratio of Major Businesses to Total Assets

(1) Deposits and Remittances

Unit : NTD'000

	31 December 2024		31 December 2023		Growth Rate (%)
	Amount	Ratio (%)	Amount	Ratio (%)	
Savings Deposits	190,642,170	30.05	193,111,374	32.16	(1.28)
Time Deposits	209,998,669	33.10	178,847,250	29.78	17.42
Demand Deposits	231,933,466	36.55	226,051,339	37.65	2.60
Checking Account	1,727,175	0.27	2,229,746	0.37	(22.54)
Remittance	211,738	0.03	223,739	0.04	(5.36)
Total	634,513,218	100.00	600,463,448	100.00	5.67

(2) Discounts and Loans

Unit : NTD'000

	31 December 2024		31 December 2023		Growth Rate (%)
	Amount	Ratio (%)	Amount	Ratio (%)	
Short-term Loan and Overdraft	19,423,441	6.23	28,263,637	9.72	(31.28)
Short-term Secured Loan	143,161	0.05	223,465	0.08	(35.94)
Medium-term Loan	53,444,973	17.16	53,285,920	18.32	0.30
Medium-term Secured Loan	222,368	0.07	982,924	0.34	(77.38)
Long-term Loan	13,543,409	4.35	10,906,466	3.74	24.18
Long-term Secured Loan	224,591,435	72.09	197,141,022	67.77	13.92
Non-accrual Loans	149,483	0.05	84,970	0.03	75.92
Total	311,518,270	100.00	290,888,404	100.00	7.09

2. Growth and Changes of Major Businesses

Unit : NTD'000

Item		31 December 2024	31 December 2023	Increase (Decrease)	Growth Rate (%)
Deposits and Remittance		634,513,218	600,463,448	34,049,770	5.67
Loan and Bills Discounted		311,518,270	290,888,404	20,629,866	7.09
Guarantees		7,621,095	10,276,860	(2,655,765)	(25.84)
Consumer Banking	No. of Credit Cards Issued	3,695,811	3,670,503	25,308	0.69

Unit : NTD'000

Item		2024	2023	Increase (Decrease)	Growth Rate (%)
Sales Volume of Non-discretionary Money Trust Investing in Domestic & Foreign Securities		82,942,428	45,444,240	37,498,188	82.51
Foreign Exchange (USD'000)	International Exchange	325,845,601	290,547,971	35,297,630	12.15
	Import	2,693,447	978,853	1,714,594	175.16
	Export	5,761,550	4,069,203	1,692,347	41.59
	Total	334,300,598	295,596,027	38,704,571	13.09

(III) Business Plan for 2025

1. Wealth and Retail Banking

- (1) Acquire and deepen relationships with High Value Segment clients through superior customer value propositions and full range of products and services.
- (2) Strengthen digital capabilities to provide greater convenience to clients.
- (3) Continuously improve processes to provide better client experience and increase cost efficiency.

2. Corporate and Investment Banking

- (1) Continue to deepen client relationships by providing suitable financial solutions and advisory services that cater customers' needs, aiming to become clients' "Bank of Choice" through our strong network, including Greater China region, ASEAN countries, India and other network.
- (2) Actively develop supply chain finance to support clients to access funds quickly, in order to enhance efficiency and expand market share.
- (3) Continue to expand product competitiveness through strategic and value-added solutions as well as leverage our RMB product capabilities and leadership in Formosa Bond.
- (4) Leverage our network strength and government's New Southbound Policy to increase cross-border business opportunities.
- (5) Continue to promote S2B services to help clients on efficient treasury management.
- (6) Optimise client coverage model to centralise resources, reduce cost and improve efficiency.
- (7) Fulfill our corporate social responsibilities to meet expectation from regulators.
- (8) Maintain disciplined risk management.
- (9) Continue to participate in green energy financing projects and promote sustainable products to support the development of sustainability.

(IV) Market Analysis

1. Domestic Economic and Financial Conditions

Taiwan's economy likely grew by 4.6 per cent in 2024. This significantly beat 2023 growth of 1.1 per cent and consensus estimates of 3.1 per cent at the beginning of the year. Information and Communication Technology (ICT) exports, which account for around 28 per cent of Taiwan's total exports, grew by almost 60 per cent in 2024, benefiting from the expansion of artificial intelligence (AI) chip applications globally. The consequent ramp up in capital expenditure and rebuilding of inventory by the local tech sector provided support for gross capital formation. Domestic consumption has also been a key growth contributor, thanks to a tight labour market and a positive wealth effect from strong asset markets.

Looking ahead to 2025, we expect real GDP growth to ease to 2.3 per cent. Taiwanese chipmakers' order pipeline is likely to remain strong as global tech giants continue to build their AI infrastructure. This, together with resilient domestic demand, should provide a decent floor for the 2025 growth outlook. However, external uncertainty remains high. With the global economy on track for a soft landing, we expect non-tech exports to continue to underperform tech exports in the coming quarters, capping export growth. Trump's return to the White House also brings the threat of higher US tariffs. We expect global supply chains to reorient around this impending shock, with Taiwan likely to be among the economies that pick up a larger share of United States imports. That said, slower demand from Mainland China which remains a significant trading partner despite derisking efforts, may offset the benefit to Taiwan from the accelerated trade diversion under Trump 2.0.

Trump's focus on correcting the United States' large bilateral trade deficits may turn the United States-Taiwan bilateral trade relationship into a more transactional one. Taiwan will likely increase its defence budget and buy more weapons from the United States, alongside more energy and agricultural purchases; a commitment to increasing Taiwanese investment in the United States could be a bargaining chip to prevent the rollback of CHIPS subsidies and the imposition of new tariffs.

The Taiwan central bank (CBC) is expected to stay on hold in 2025. In line with consensus, we expect policy makers to keep the benchmark policy rate at 2 per cent, as inflation data stays benign. Excluding the more volatile food and energy items, core consumer price index (CPI) averaged less than 1.8 per cent in July-November 2024, versus 2 per cent in H1. A further drop in core CPI from here looks challenging given solid domestic demand, a tight labour market, an elevated property market, and ongoing pressure to hike energy prices. That said, we still expect core inflation to stay below the CBC's 2 per cent target for much of 2025, so there may be little urgency for the CBC to raise interest rates.

Since the announcement of the 'seventh wave' of property cooling measures in September 2024, residential property prices and transaction volumes have shown signs of moderation. However, we believe it is still too early for the CBC to revert to a neutral stance. The central bank expressed concern about the elevated share of property loans within total bank loans (at 37.4 per cent in October 2024, close to the record of 37.9 per cent); the CBC has said it wants to see this ratio fall to the 35 -36 per cent range. The market largely agrees that policy makers are likely to maintain a hawkish tone, with interest rate swaps continuing to imply a small rate hike bias throughout 2025.

2. Market Outlook and Growth Potential

In 2025, the net revenue and profit after tax targets are NTD18,736 million and NTD4,769 million, respectively.

The Company will sharpen the execution of its established strategy. In Wealth and Retail Banking, we continue to focus on becoming a Wealth Manager for affluent clients. We will strengthen our high-net-worth client proposition with international banking solutions, innovative and diversified wealth products and differentiated customer experience.

In Corporate and Investment Banking, our priority continues to be a Cross Border Corporate and Investment Bank that leverages our global network to support our client needs, particularly in supply chain reconfiguration, innovative hedging and funding arrangements, as well as journey towards sustainability.

The Company will continue to focus on Treating Customers Fairly (TCF) and Task Force on Climate-related Financial Disclosures (TCFD) as client-centricity and sustainability are at the core of the Company's corporate culture. For two consecutive years across 2023 and 2024, the Company has been ranked in the top quartile of financial institutions by the Financial Supervisory Commission for our performance in implementing the TCF principles. The Company further enriched its TCFD report in 2024 by putting in place a clear strategy with measurable metrics and targets to reinforce our commitment in sustainability and responsibility to the community. To constantly improve our service level and sustainability focus, we have engaged an external independent consultant to continue optimising our internal framework and measures in 2025.

The global economy and political landscape are rapidly evolving, posing uncertainties yet potential opportunities in 2025. Tailwinds such as AI Boom, recovery in the tech sector and enhanced consumer confidence are expected to support the Taiwan economy. Being deep-rooted in Taiwan for 40 years, and with robust capital, unique global network and the right corporate culture, the Company will continue to passionately provide client-centric services at all levels, delivering our long-term commitment of "here for good".

3. Strength, Weakness and Countermeasure of Future Development

(1) Favorable factor

The Company is widely recognised as a strong and reputable bank in our major footprint markets, especially in Asia, Africa and the Middle East. We shall continue to strengthen our competitive edge in the market by offering innovative products and banking expertise for clients through existing network.

(2) Adverse factor

The Company's current market position will continue to face increasing challenge from other foreign banks that are expanding rapidly in Taiwan and aspire to becoming the core business bank for major local clients.

(3) Countermeasure

The Company should leverage on its extensive network to seek out ever increasing cross-border business opportunities and seek to continue to be the "Bank of Choice" for clients operating in Asia, Africa and the Middle East. Meanwhile, we will serve high-net-worth clients with sophisticated and professional financial services to fulfil client needs.

(V) Financial Instruments and Summary of Business Development

1. Major financial instruments and additional business units, the scale of operation and profitability status

The Company executed the first deal of derivative product - Total Return Swap with New Taiwan Dollar (NTD) on 16 October 2024 and submitted to Financial Supervisory Commission R.O.C (Taiwan) for post filing on 25 October 2024.

2. R&D Expenditure and Results for the Past Two Years and Future R&D Plans

Over the past two years, the Company has actively developed digital platform to provide convenient financial services. My Stocks is one of the platforms launched in 2024. As a one-stop platform, My Stocks integrates investment and bank account to serve our clients with placing orders for foreign stocks/ETFs 24/7 and keep tracking of market movements. In addition, through our new mobile device binding upgrade, client transactions will be secured via enhanced security protection on mobile banking. After the upgrade, clients can quickly and safely use face recognition (Face ID) or fingerprint recognition (Touch ID) to complete funds transfer through the mobile banking APP. The Company will continue to adhere to customer-centric principle and strive to provide comprehensive wealth management services and solutions.

In our Wealth Solution services, the Company remains committed to optimising our digital service platform for wealth management. The “myStocks Online Trading Platform for Foreign Stocks and ETFs” was officially launched in January 2024. This platform offers clients with a one-stop digital wealth management experience through mobile banking and online banking.

At the end of 2024, the Company further upgraded the service offerings of “myRM” platform by introducing offshore structured products and W8BEN document update services, providing a more integrated transaction platform experience for our clients. Apart from directly connecting with relationship managers for financial advisory services through online banking and mobile banking applications, clients can also seamlessly execute transactions for a comprehensive range of wealth management products with just a touch.

In addition, the convenient use of digital platforms have been strengthened. In the first half of 2024, the Company launched an upgraded mobile device binding service using SIM card verification. This service enables clients to verify identity through Face ID, Touch ID, or mobile push notifications, making online transaction more secure and simple. In the second half of the year, the Company introduced a new online credit card service platform, providing features such as temporary credit limit increases, annual fee inquiries and waivers, and card cancellations. These initiatives aim to meet clients' needs for convenience, security, and personalised services.

(VI) Short and Long-term Business Development Plans

1. Short-Term Plan

- (1) Continuously invest in high net-worth segment businesses.
- (2) Provide full range of products and services; continuously improve pricing and margin management.
- (3) Continue the productivity improvement and risk management enhancement.
- (4) Strengthen functions of automated channels service and provide full services to further increase customer satisfaction.
- (5) Boost usage of automated channels service to lower branch operating cost effectively.
- (6) Implement process optimisation and improvement.
- (7) Continue to develop and select comprehensive suite of wealth management products to fulfill customers' financial needs; provide wealth management ("WM") planning and advisory services as well as strengthen transactional capabilities to maintain customer relationships.
- (8) Digitise operation process and customer service to enhance the customer service platform for front-line sales and to improve operation efficiency.
- (9) Drive a balanced growth on secured and unsecured lending businesses.
- (10) Establish client and product classification in accordance with the existing regulations and regulatory requirements; combine with WM planning and customer risk review to grow scale and fee income through customer relationship and fidelity enhancement.
- (11) Continue to focus on capital-lite income as well as Corporate Finance deals in order to improve capital efficiency and expand cross-sell business.
- (12) Seize the business opportunities created by repatriation of offshore fund by Taiwanese corporate and related investment in ASEAN by leveraging our regional network strength.
- (13) Focus on various sustainable products and deepen in clients' green energy supply chain to facilitate the development of sustainability by offering sustainable finance and deposits services.

2. Long-Term Plan

- (1) Continue to enhance banking systems by adapting Cloud, AI, API technology, and migrate to SCB group applications to support business growth and strengthen the control over information security.
- (2) Consolidate automated channel service platforms and provide differentiated service contents and personalised customer relationship management.
- (3) Through diversified products and convenient transactional platform to provide a full suite of WM services with tailored-made asset allocation plans and comprehensive advisory for customers.
- (4) Become the “Bank of Choice” for Taiwanese corporate and institutional banking customers and expand overseas markets into SCB footprint, by leveraging our extensive Greater China network and international presence in emerging markets, as well as through our comprehensive product services in cross-border solutions in transaction banking, RMB leadership, capital markets and corporate finance.
- (5) Adopt Agile project management framework and accelerate Fintech development.
- (6) Adopt DevOps for automated testing and deployment to lower the manual error of manual testing and deployment.

II. Employee Analysis

(I) Employee Profile

Unit: Number of People
2025.03.31

Year		As of 31 Mar 2025	2024	2023
Gender	Female	1,561	1,553	17,03
	Male	707	715	791
	Total	2,268	2,268	2,494
Average Age		43.92	43.75	42.47
Average Year of Service		12.15	12.06	11.12
Level of Education (%)	Doctorate	0.00%	0.00%	0.04%
	Master	19.44%	19.27%	17.92%
	University/College	76.01%	76.15%	76.06%
	Senior High School	4.01%	4.01%	5.33%
	Below Senior High School	0.53%	0.57%	0.64%
Certificates and Licenses Held by Employees	Securities Investment Trust and Consulting Professional	89	86	94
	Proficiency Test for Trust Operations Personnel	883	874	850
	Examination on Investment Trust and Consulting Regulations (including Self-disciplinary Rules)	500	487	465
	Qualification Certificate for Trust Business Professionals – Business Personnel	861	854	873
	Qualification Certificate for Trust Business Professionals - Managerial Personnel	242	242	253
	Proficiency Test for Stock Affair Personnel	5	5	6
	Securities Specialist	115	114	119
	Senior Securities Specialist	104	103	106
	Futures Specialist	97	98	101
	Proficiency Test for Financial Planning Personnel	212	215	215
	Investment-orientated Insurance Product Specialist	378	378	367
	Business Personnel for Foreign Currency Non-Investment Type Insurance Products	657	656	677
	Personal Insurance Agent Registration Certificate	1,527	1,515	1,595
	Property Insurance Agent Registration Certificate	727	724	827
	Property Insurance Representative	66	65	73
	Proficiency Test for Bond Specialist	3	4	4
	Basic Proficiency Test for International Banking Personnel	90	89	91
	Securities Dealer	1	1	1
	Basic Proficiency Test for Bank Lending Personnel	128	129	143
	Advanced Proficiency Test for Bank Lending Personnel	5	5	5
	Basic Proficiency Test on Bank Internal Controls	483	487	512
	Certified Internal Auditor Certificate	1	1	1
	Financial Markets and Professional Ethics Examination	721	702	665

(II) Employee Education and Training

	2024	2023
Total Count of Learners	66,468	72,862
Average Learning Days	4.54	4.7

Note : Employee education is offered through our diverse learning platforms, of which the “discover” learning platform is introduced for employees to acquire skillsets for their personal developments. Therefore, the self-learning hours are not included as part of the trainings devised by the Company.

III. Corporate Responsibilities and Ethics

Contribute to social welfare and academic culture, promote environmental protection, build sustainable development, and create value for shareholders.

Our Commitment – here for good

Sustainability is the core value of Standard Chartered's corporate culture. It is committed to shaping the Bank as a sustainable company, creating value for shareholders, providing quality services to customers, and contributing to the overall economy to become a positive force in the community. It is the concrete demonstration of the brand promise - "here for good".

To materialise our brand promise through our behaviours, Standard Chartered revised our sustainability model to encompass 3 pillars: Sustainable Finance, Responsible Company, and Inclusive Communities.

- **Sustainable Finance** is about how we use our core business to promote sustainable development in our markets, while managing the environmental and social risks associated with our financing activities.
- **Responsible Company** is about how we strive to manage our business sustainably and responsibly, drawing on our purpose, brand promise, valued behaviors and Code of Conduct to enable us to make the right decisions.
- **Inclusive Communities** is about how we aim to create more inclusive economies by sharing our skills and expertise, developing community programmes that transform lives.



Our significant achievements of sustainability through investing in communities in 2024

1. Futuremakers

Since May 2013, the Company has collaborated with nonprofit organisations and government units to create "Standard Chartered Seeing is Believing (SiB) Visually Impaired (VI) Employment Platform" and title sponsored "Standard Chartered Taipei Charity Marathon", the largest charity sports event in Taiwan for years.

Starting from Q4 2019, Standard Chartered decided to carry the legacy of SiB and launched a global charity initiative "Futuremakers" project in supporting 16-35 years old disadvantaged youth with visual impairment and disadvantaged female, to help them pursue their dream careers without worries and under the preconditions of justice and equality. Standard Chartered has partnered with NGO groups, namely the Taipei Parents' Association for the Visually Impaired (PAVI) and the Garden of Hope Foundation (GOH), to jointly offer schooling

relief, training programmes, career exploration and intern opportunities to disadvantaged youth. We have supported over 900 visually impaired youth, disadvantaged female, and aspiring young entrepreneurs in 2024, and a total of over 7,900 since the program launched, providing them with opportunities for learning, growth, and employment. The results in 2024 are as follow:

Training programmes for visual-impaired youth to re-skill and up-skill: We provided training and intern opportunities and supported teenagers to obtain relative certificates. PAVI has successfully facilitated fragrance and music workshop and training courses to support visually impaired youth to explore new career, obtain certificate, build their own brand and receive internship in relative fields.

Workshops for career development: We provided various workshops for disadvantaged youth to

explore their interests with proper coaching and conducted conversations with role models for experience sharing.

Life skill training: Relaxation activities and interpersonal and social skills training were provided to support beneficiaries build confidence to reset, and deal with challenges positively. We also provided workshops and financial basics courses so the beneficiaries could spot and avoid scams while raising awareness about labour rights to better protect themselves.

Certification subsidies and internship: We provided certificates and job training subsidies with internships.

Maximising the impact of community engagement:

"Standard Chartered Taipei Charity Marathon" also invited the public, enterprises, clients, and employees of the Company to run for charity. Meanwhile, underprivileged youths were encouraged to join the race and challenge themselves. In 2024, Standard Chartered Taipei Charity Marathon, through the registration period and event day, has achieved:

- **Fundraiser to support good causes:** runners of "Standard Chartered Taipei Charity Marathon" not only lifted awareness of Futuremakers by Standard Chartered during the race, but also made a donation of NTD0.9 million to support projects initiated by PAVI and GOH, partners during registration period.
- **Strengthening running for public welfare:** In 2024, "Standard Chartered Taipei Charity Marathon" engaged 16 companies and organizations to support projects under Futuremakers. Apart from donating NTD2.56 million from marathon registration income, on event day, additional fundraising around NTD0.16 million was generated from charity sale booth and medal engraving event.
- **Participation from NGOs:** The Race received 80 VI runners come from PAVI and GOH with their running buddies. We also recruited additional 19 runners and paired with VI runners at training clinic and on race day.

2. Women in Entrepreneurship (WiE)

The Company launched WiE by partnering with GOH since 2023. In the second year of the event, we turned our focus on micro-business which has been founded under 8 years and with no more than 10 employees in 2024 led or founded by female business leaders. Our goal is to support and empower female-led entrepreneurs to grow, thrive and succeed in

modern business world through upskilling workshops, mentorship, and networking and encourage female business leaders to pursue their dreams and achieve social inclusion without fear.

- 31 women-led businesses were onboarded to the programme covering 62 young talents (70% were female).
- We organised a two-day bootcamp, six workshops, two advanced workshops, 1:1 mentorship with employee volunteers ("EV") from the Company and networking event with British Chamber of Commerce in Taipei to better connect young talents with stakeholders.
- We offered a total prize of NTD1.6 million while top ten finalists were entitled of NTD100,000 for each team and top three winners will receive additional awards of NTD300,000, NTD200,000 and NTD100,000 respectively with tailored-made mentor consultation afterwards.

3. Employee Volunteering

Standard Chartered employees are entitled 3 days of paid volunteering leave every year and employees can freely choose the volunteer activities they want to participate in. The Company also encourages departments to assemble group strengths to participate, to further transmit and promote the Company's corporate culture of caring for the society. In 2024, Standard Chartered Taiwan employees provided a total of 3,176 volunteer service days with a participant rate of 67 per cent among all employees.

The Company's important volunteer and environmental protection activities in 2024:

- Three beach cleaning events in Taipei, Hsinchu and Taichung with 196 employees and their families taking part to remove 828 kilograms of litters along the coastline.
- More than 275 employees contributed 3,356 hours for online editing and proofreading on books for visually impaired.
- EVs of the Company organised Financial Knowledge Camp for disadvantaged youth under Futuremakers programmes and equipped them with basic financial knowledge and anti-fraud awareness.
- Cat/Dog Shelter Cleaning: 40 employees voluntarily supported cleaning for cat/dog shelters managed by NGOs.



Host the “No Meat” market day by The Environmental Sustainability Committee of Standard Chartered Taiwan to promote the healthier diet behaviour.

- Blood Donation: 84 employees were engaged at two sessions of blood donation events.
- EVs at Standard Chartered Taipei Charity Marathon: We had 180 EVs doing onsite support and 13K plogging at the race.
- Teamed up with NGOs including Huashan Social Welfare Foundation and Genesis Social Welfare Foundation on charity events.

4. Sustainable Environment

With the climate change issue getting more concerned by the international community following the COP21 conference, Standard Chartered, as being an international commercial bank, is committed to the implementation of various environmental energy saving and carbon reduction measures in order to achieve the goal of business sustainability. In Taiwan, the Company continues to promote various energy-saving and carbon-reduction activities, actively participate in global environmental activities while encouraging staff to embed the energy-saving and carbon-reduction habits into their work as well as daily lives. As a result, the trend of using of energy water is about -0.9% and -9.4%, respectively. Here are some examples of what we have achieved:

(1) Efficient monitoring of energy data

The energy consumption controls in main offices and branches are established, monitored and analysed to understand various energy data statistics and their impacts to the environment. Such energy monitoring information is also used to set up carbon reduction targets and response measures. The Company incorporates the environment management system into our day-to-day operations to regularly track and

analyse data for reducing energy consumption and minimising impacts to the environment. The table below illustrates a trend of Standard Chartered’s overall energy and water consumption as compared to the same period last year.

	Electricity Usage	Water Consumption
Unit	KWH	M3
2024	5,448,135	20,179
2023	5,496,831	22,272
2024 versus 2023 Annual Comparison	(0.9%)	(9.4%)

(2) Replacement of energy-saving facilities & assessment on new power source

Ad hoc taskforces are established to monitor the conventional air conditioning and lighting in main offices and branches and replace them with energy and water saving facilities. Such conventional facilities will be replaced year by year, if appropriate, with high-efficient and energy-saving certified facilities that meet the global environmental protection standards. A budget is in place to gradually replace old facilities with high-efficient air conditioning and environmental-friendly refrigerants. In parallel, evaluate the feasibility of utilising green power including solar panel and green energy to reduce the usage of high-carbon-emission power. With the objective to minimise energy consumption, our new Head Office has also embedded energy conservation concept in design, such as regional lighting control, increased natural light, as well as air-conditioning adjustable to the environment.

(3) Green behaviour promotion

In main offices and branches, implement timed usage of air conditioning and lights-out during lunch hours to reduce total electricity usage. Moreover, we continue to promote volunteer monitoring of utility consumption (for electricity and water), proactively looking into any abnormality of utility usage and providing countermeasures. Reduce the operation hours of lighting on branch signage and encourage employees to take stairs instead of taking lifts. Meantime, recommend employees to use recyclable eating utensils to reduce single use plastics, waste and waste disposals.

(4) Participation of environmental conservation activities

Actively participate in global environment activities, such as Earth Day and increase environmental awareness amongst our staff.

Awards winning list in 2024

Standard Chartered Bank has been committed to improving service quality and brand image for a long time, and its all-round outstanding performance has been repeatedly recognised by the outside world. In 2024, it has won 30 domestic and foreign awards, respectively in the fields of financial services, digital innovation, public welfare feedback, and diversity and inclusion. Performance was recognised with important awards.

Key highlights included:

- **Four awards from Wealth Magazine:** “Best of Service” for foreign banks, “Best of Wealth Added Award” for foreign banks, “Best Digitized Intelligent System” for foreign banks, and “Best Video Marketing Award” for foreign banks
- **Six awards from The Asset:** “Best in Treasury and Working Capital-MNCs/LLCs”, “Best Liquidity Management Service Provider”, “Best Relationship Manager”, “Best Renminbi Bank”, “Best ESG Solution”, and “Best Payments and Collections Solution”
- **Three awards from Asia Banking & Finance:** “Digital Consumer Banking Initiative – Taiwan”, “International Retail Bank of the Year – Taiwan”, and “Wealth Management Platform of the Year – Taiwan”
- **Two awards from Retail Banker International:** “Best Advance in a Diversity and Inclusion Initiatives”, and “Excellence in Loan Origination Process”.
- **Two awards from The Digital Banker:** “Best Retail Bank for Digital CX in Taiwan”, and “Outstanding Innovation in Digital CX – Equities”
- **Award from Forbes:** “The World’s Best Banks - No. 3 in Taiwan”
- **Three awards from Excellence Magazine:** “Best Digital Financial Management Award”, “Best Professional Team Award”, and “Best Customer Recommendation Award”
- **Award from Taipei City Labor Bureau:** “Taipei City 2024 Annual Friendly Child Care Award – Benchmark Enterprise Group”
- **Recognition from Financial Supervisory Commission:** “TOP 25% for Treating Customers Fairly Assessment”
- **Two awards from AREA:** “Social Empowerment Category”, and “Investment In People Category”
- **Two awards from Asian Business Review Magazine:** “Taiwan Technology Excellence Award for Analytics – Banking”, and “Taiwan Technology Excellence Award for Digital – Banking”
- **Award from British Chamber of Commerce in Taipei:** 8th British Chamber of Commerce in Taipei Better Business Awards 2024 for the Diversity Award
- **Award from General Chamber of Commerce:** “Golden Merchant Awards – Outstanding Foreign Business Award”
- “Sports Promoter Golden Award” by the Sports Administration, Ministry of Education



Head of HR, Vickie Chen represented as Standard Chartered Taiwan to receive the recognition from Taipei city Mayor Chiang Wan-an on “Taipei City 2024 Annual Friendly Child Care Award-Benchmark Enterprise Group.



Standard Chartered Taiwan has once again been recognised by the FSC in its annual evaluation of the principle of treating customers fairly. Head of CFCC, Miranda Liaw represent to accept the award.

IV. Non-supervisory Full-time Staff Information

The number of non-supervisory full-time employees, their average wages as well as median wages in 2024 compared to those of in the previous year are provided in the table below:

Item	2024	2023	Increase/ (Decrease)
Non-Supervisory Head Count (Year-end)	958	1,190	(232)
Average Wages of Non-Supervisory Employees (NTD)	82,425	77,327	5,098
Median Wages of Non-Supervisory Employees (NTD)	63,000	61,002	1,998

V. Information Technology

(I) Maintenance and Deployment of Hardware and Software for Major IT Systems

Major IT systems host was upgraded to HPE NonStop Server NS8 in Sep 2024 whilst the operating system is NonStop Kernel L23.08.

(II) Future Development or Procurement Plan

In 2025, the Company plans to migrate system applications currently located in Hong Kong Data Centre to the new Global Data Centres in Hong Kong and Singapore so as to provide geographic resiliency. The phased migration will leverage advanced cloud capabilities, refresh the obsolete devices to mitigate operational risks and improve system resilience. In addition, to enable the Company in a sustainable position, the obsolete network devices refreshment and branch connectivity simplification will be required to uplift network security and reduce the cost of maintenance.

In response to Microsoft's strategy for product support lifecycle, the Company keeps upgrading operation system and hardware to the latest version and enhance the system performance.

(III) Emergency Support and Security Protection Measures

1. In the event of an accident caused by IT infrastructure that leads to injury or death of an employee, Technology Services is responsible for allocating resources to deal with the preservation of evidence, liaise with the insurance company, corporate with insurance investigations and handle insurance claims.
2. Construction of a new premise or premise for remote operation: Technology Services is responsible for dealing with suppliers, acquiring backup items, and handling the procurement of hardware, software and tangible facilities.
3. As of the end of October 2023, the data centre in disaster site has been migrated to a new data centre with energy saving and high performance features, so as to improve the system availability and security.

VI. Information and Cyber Security (ICS) Risk Management

In responding to the growing threat of Cybercrime to global banking industry and their clients, the Company hence designated ICS risk as one of the principal risk types to manage. Our management approach adheres to all global banking regulatory guidance and industry best practice models of ICS risk management. This includes the National Institute of Standards and Technology (NIST) Cyber Security Framework and the International Organization for Standardization's (ISO) 27000 series of standards in establishing the Information Security Management Systems.

(I) ICS Risk Management Framework

1. ICS Organisational Structure

The Company has set up an independent and dedicated Information and Cyber Security ("ICS") team under the Transformation, Technology and Operations (TTO) Department, and appointed the Chief Information Security Officer ("CISO") with dedicated Head of ICS to supervise and govern the entire framework. The CISO is responsible for establishing and exercising the ICS Risk Type Framework ("RTF"), policy, standards and processes, execution and risk management, regulatory compliance, and issue tracking and follow-up. The CISO shall also report the performance and effectiveness of ICS Management, ICS issues and trends to the Board on a regular basis.

2. ICS Governance Framework

The Company has set out the ICS Risk Forum as a sub-committee under Executive Risk Committee ("ERC") to conduct the ICS strategy framed by ICS team and ensure that ICS related RTF, policy, standards, processes, and regulations are complied with and followed. The CISO acts as the chairperson, and all departments would assign a representative as member of the forum. Minimum 6 meetings per year will be held to discuss, review, follow up, and resolve ICS related issues, risk status, indicators, performance of management and controls, and awareness items. The meeting minutes will be consolidated and escalated to ERC periodically.

(II) ICS Policy

The Company has the Information and Cyber Security Risk Type Framework (ICSRTF) and Information and Cyber Security Policy (ICSP) that set out our ICS approach. This protects the confidentiality, integrity, and availability (CIA) of our information assets, information systems and technology infrastructure.

Adherence to the ICS RTF and policy enables the Company to maintain client confidence while protecting the Company's commercial interests and reputation. Our RTF and policy comply with legal requirements and meet regulatory expectations. The RTF and policy are reviewed on an annual basis with the objectives to:

- Ensure that the Company can operate competitively across complex and highly regulated environments.
- Provide a safe and secure environment for our clients, staff and company information assets, information systems and technology infrastructure whilst supporting the wider strategic objectives of the Company.
- Clearly explain the responsibilities of all staff, third parties, partners, and those directly involved in or accountable for compliance to ICS Standards across the Company.

(III) ICS Risk Management and Continual Improvement Framework

Given the rapidly evolving ICS risks and threat landscape, the Company adopted the Threat Scenario-led Risk Assessment (“TSRA”) model to evaluate ICS risk taking into account all ICS threat scenarios and performing a self-assessment to determine how well the Company can defend itself against these threats. A combination of qualitative and quantitative assessment conducted by ICS subject matter experts helps the Company with visibility on the residual risks relative to these threats. This international model helps in effectively prioritising the Company’s investments and efforts in addressing the ICS risks that are significant and relevant in the current threat landscape, hence achieve the goal of minimising the ICS risks and related impacts for the Company.

(IV) ICS Risk Management Status

- **ICS Awareness and Training:** At least three hours of ICS lectures/training per year, awareness campaigns periodically, drill exercises on ICS scenarios, and phishing simulations are conducted to uplift staff’s ICS awareness.
- **Malware Protection:** Most common sources of malwares are phishing mails, web surfing, or infection through removable storages. Multiple layers of protections and controls have been implemented to address the potential weakness whilst the Cyber Defence Centre (“CDC”) monitors the incidents and activities by 24 hours a day, to reduce the risk of security attack attempts.
- **Network Security:** The Company has deployed the Firewalls, Intrusion Detection Systems (“IDS”) and Denial-of-Service (“DoS”) attack mitigation to prevent the damages from cyber-attacks. Furthermore, the system vulnerabilities would be fixed while conducting the penetration tests and vulnerability scanning periodically in order to minimise the exposure of potential vulnerability and cyber-attacks.
- **Disaster Recovery:** All critical systems have redundancy and data backup, and the disaster drills are held multiple times a year to ensure the business can be recovered within set Service Level Agreements (SLAs) in the event of a major outage in the Company’s data centre.
- **Personal Data Protection (“PDP”):** In order to continuously improve the protection and management of personal information protection of the Company, the annual review of PDP policy and related standards have been completed. In addition, the Company has updated the personal information inventory, and conducted personal information risk assessment and self-assessment in 2024.
- **ICS Performance Assessment:** External experts (including ICS Auditors and ICS assessors) are appointed to proceed the ICS assessment, and the corresponding remediation plans are implemented to uplift the Company’s ICS posture.

(V) Resource and Investment for ICS Risk Management

1. Co-work with SCB Group on a significant multi-year ICS investment program, which includes numerous ICS projects across below ten ICS Key Control Domains to further elevate our ICS posture:
 - Security Asset Management
 - Security Awareness and Training
 - Identity and Access Management
 - Information Protection
 - System Lifecycle Security
 - Secure Configuration Management
 - Network Security
 - Secure Logging and Monitoring
 - Third Party Security Management
 - Security Incident Management
2. ICS insurance covered the risk of the Company during 2024 was bought from a global insurance company.
3. Three hours ICS lectures/training to all staff have been completed.
4. Six ERCs meetings were held during 2024.
5. Six ICS Risk Forums were held during 2024.

(VI) Major ICS events

The Company experienced a service disruption in external network connectivity on 24 March 2024 from 17:03 till 18:35 (duration of 92 minutes) that caused the interbank cash withdrawal, interbank transfer, interbank fee/tax payment (ebill), and Internet Banking/Mobile Banking services provided by the Company was suspended. It was identified that the service disruption was caused by a circuit failure of the telecommunication vendor of the Company. After the telecommunication vendor resolved the hardware issues, the Company services resumed at 18:35. There were approximately 3,430 transactions impacted and there were 30 inquiries from 27 customers regarding the disruption of services. No customer complaints nor adverse news of the Company have been reported arising from this incident.

VII. Labor-Management Relations

(I) Employee Welfare and Benefits

Regarding the employee welfare and benefits, in addition to provide the labor insurance, national health insurance, periodic health examination, as well as to establish the employee welfare committee, the Company also provides the following benefits:

1. Employee Sharesave Scheme.
2. Group insurance.
3. Flexible working arrangement and better annual leave program.
4. Preferential interest rate for staff deposits.
5. Preferential interest rate for staff loans.
6. Special offers for financial transactions: preferential transaction fees, special exchange rate and inter-bank transfer fees.
7. Special credit card offers (issued by the Company): no annual fee, double reward points.

(II) Retirement Policy

Regarding the retirement benefits, the Company follows the relevant law requirements to either monthly accrue and save the retirement benefit fund into the Bank of Taiwan account for those employees applicable to the retirement benefit under Labor Standard Act ("Old Plan") or monthly accrue 6% of pensionable salary into Labor Insurance Bureau for those employees applicable to the Labor Pension Act ("New Plan").

(III) Labor-Management Agreements and Measures to Protect Employees' Rights and Interests

To continuously exemplify our brand promise to be "here for good", the Company continues its harmony and trustworthy partnership between labor and management which is highly esteemed not only a unique model of leading by example among all the foreign banks in Taiwan, but also a global standard of demonstrating a great collaborative strategy leading to win-wins with all employees benefited. By upholding the spirits of coexistence, co-prosperity, co-benefit, and customer centrality, together we will pursue business sustainability, maintain harmonic labor-management relationship and commit to protect employees' rights and interest.

(IV) Loss resulting from labor disputes in recent years, the amount of estimated potential loss and the Company's responses

The Company received two official letters (with Ref. No. Fu-lau-jiu-zi-1130077683 and Fu-lau-jiu-zi-1130077701) issued by the Department of Labor, Hsinchu City Government (the competent authority) on 14 May 2024 that the Company was in violation to the Middle-aged and Elderly Employment Promotion Act, and a regulatory fine of NTD600,000 was imposed accordingly.

The Company filed an administrative appeal in accordance with the law.

The Department of Hsinchu County Government (the competent authority) issued an official letter (with Ref. No. Fu-lau-zi-zi-1140337848 on 19 February 2025 to notify the Company's violation to Article 24-1 of the Labor Standard Act ("LSA"), and that a regulatory fine of NTD50,000 was imposed according to Articles 79-1 and 80-1 of the same Act, with corrective action required within a prescribed period of time.

VIII. Important Contracts

Contract Type	Vendor	Contract Start and End Date	Services	Restriction
Insurance Agency and Joint Promotion Agreement	PCA Life Assurance Co., Ltd	1/10/2022-30/9/2023 (Note 1)	PCA Life has signed the Agency and Joint Promotion Agreement for the Distribution of Insurance Products with Standard Chartered Bank (Taiwan) Limited.	None
Insurance Distribution Agreement	PCA Life Assurance Co., Ltd.	02/2017-07/2029	PCA Life has signed the Taiwan cooperation agreement with Standard Chartered Bank (Taiwan) Limited.	Unless otherwise provided in this Agreement, the Company will exclusively sell the insurance products of PCA Life.
Security Guards Service	ABV Integrated Facility Services	01/08/2024-31/07/2025	Branches/building security guards	None
Facilities Management and Property Project Management Agreement	CBRE Property Services Limited Taiwan Branch	07/2019-06/2024	Facilities management and property project management services	None
Facilities Management and Property Project Management Agreement	Cushman & Wakefield Limited Taiwan Branch	07/2024-06/2029	Facilities management and property project management services	None
Telecom (Voice & Data) Integrated Services	Taiwan Fixed Network Co. Ltd.	10/2015-08/2030	Provide telecom (voice & data) integrated services and server room leasing	None
Fit-out Service	Lan Yon Interior Design Construction Co. Ltd.	08/2022-07/2025	Provide fit-out service	None
Outsourcing Contract	Standard Chartered Bank, London	16/10/2012-31/03/2027	1. IT system development, monitoring, and maintenance 2. Back office data process for foreign exchange, derivatives and fixed income products	Regulations Governing Internal Operating Systems and Procedures for the Outsourcing of Financial Institution Operation
	Standard Chartered Bank (Singapore) Limited	26/04/2023-26/04/2025	Back office data process for foreign exchange, derivatives and fixed income products	
	Standard Chartered Bank, Singapore Branch	15/04/2016-31/03/2027	Back office data process for foreign exchange, derivatives and fixed income products	
	Standard Chartered Global Business Services Sdn. Bhd. (Note 2)	01/04/2016-30/04/2027	1. IT system development, monitoring, and maintenance 2. Back office data process for trade, loan, and derivatives	

↓ Continued

Contract Type	Vendor	Contract Start and End Date	Services	Restriction
Outsourcing Contract	Standard Chartered Global Business Services Private Limited India (Note 3)	01/11/2013-31/03/2028	1. IT system development, monitoring, and maintenance 2. Back office data process for trade, retail banking finance, financial reports preparation and analysis, and derivatives	Regulations Governing Internal Operating Systems and Procedures for the Outsourcing of Financial Institution Operation
	Atos Information Technology HK Ltd.	01/01/2018-30/09/2026	Data Centre management and maintenance service	
	Acer e-Enabling Data Center Incorporated	01/01/2015-31/05/2027	IT system development, monitoring, and maintenance	
	High Performance Information Co., Ltd.	01/07/2014-30/05/2027	Data entry, processing, and output of information system; IT system development, monitoring, and maintenance	
	Leebao Security Company Limited	01/01/2016-31/12/2026	Delivery services for marketable securities, checks, forms, and cash	
	Transnational Logistics Solutions (Taiwan Branch)	16/11/2015-30/06/2025	Transporting securities, forms, cheques among SCB branches, buildings and Taiwan Clearing House	
	Leebao Security Company Limited	01/01/2016-31/12/2026	ATM refill and related service	
	Yuen Foong Paper Co., Ltd.	01/01/2015-30/06/2025	Data processing, printing and transport of blank cheques and securities documents	
	Thales Dis Taiwan Co., Ltd.	30/04/2015-31/01/2028	Card embossing data processing, printing, envelope stuffing, sorting and mailing	
	Fuco Tech Co., Ltd.	01/01/2015-31/12/2027	Bank statement and notification data processing, printing, envelope stuffing, sorting and mailing	
	Taiwan Familymart Co., Ltd.	01/06/2016-01/08/2024	Credit card payment collection	
	President Chain Store Corp.	01/06/2016-29/11/2026		
	Yu Bon Credit Management and Consultant	28/11/2008-31/12/2025	Debt collection	
	Sunrise Consultancy Co Ltd.	01/02/2019-31/05/2024		

↓ Continued

Contract Type	Vendor	Contract Start and End Date	Serv ices	Restriction
Outsourcing Contract	UniStar Asset Management Co., Ltd.	08/06/2021-31/12/2025	Debt Collection	Regulations Governing Internal Operating Systems and Procedures for the Outsourcing of Financial Institution Operation
	United Credit Services Ltd.	01/02/2023-31/12/2025		
	Crown Van Lines Co., Ltd.	01/01/2017-31/12/2025	Document storage and scanning	
	Honda Appraisers Joint Firm	01/07/2013-31/03/2026	Appraisal services	
	Great Eastern Real Estate Appraisers Joint Firm	01/01/2016-31/03/2026		
	Euro-Asia Real Estate Appraisers Joint Firm	01/01/2016-31/03/2026		
	Hwan Yu Real Estate Appraisers Joint Firm	01/01/2016-31/03/2026		
	Zhan-Mao Real Estate Appraisers Firm	01/04/2021-31/03/2026		
	China Property Appraising Center Co., Ltd.	01/03/2016-30/04/2026		
	Euro-Asia International Asset Service Co., Ltd.	15/02/2016-30/04/2026		

Note 1: After the expiration of the initial term, this agreement shall be automatically extended on a yearly basis unless terminated in written notice by either party.

Note 2: SCB's 100 per cent invested company located in Malaysia.

Note 3: SCB's 100 per cent invested company located in India.

IX. Information on Financial Assets Securitisation

The Company has no securitised asset or offers mortgage-backed securitisation product.

V. Review and Analysis of the Company's Financial Conditions, Financial Performance, and a Listing of Risks

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Standard Chartered Bank has been sponsoring the Standard Chartered Taipei Charity Marathon for a long time, the largest charity sports event in Taiwan, and has been awarded "Sports Promoter Golden Award" by the Sports Administration, Ministry of Education.



I. Analysis of Financial Conditions

Unit : NTD'000

Item	Year	2024	Increase/ (Decrease) Variance	
			2023	Amount %
Cash and cash equivalent, Due from the Central Bank and call loans to banks		197,128,532	174,188,925	22,939,607 13.17
Financial assets at fair value through profit or loss		61,074,494	43,807,249	17,267,245 39.42
Financial assets at fair value through other comprehensive profit or loss		100,799,244	125,823,573	(25,024,329) (19.89)
Debt instrument investment measured at amortised cost		16,000,345	10,078,082	5,922,263 58.76
Financial assets for hedging		3,869,842	241,921	3,627,921 1,499.63
Securities and bonds purchased under resell agreements		34,049,761	21,390,034	12,659,727 59.19
Receivable-net		33,742,493	31,160,835	2,581,658 8.28
Current tax assets		170,705	261,244	(90,539) (34.66)
Discounts and loans-net		306,246,055	286,059,393	20,186,662 7.06
Restricted assets		11,754,086	10,521,438	1,232,648 11.72
Property and equipment-net		2,906,343	3,213,267	(306,924) (9.55)
Right-of-use assets-net		2,500,487	2,275,472	225,015 9.89
Intangible assets-net		3,222,239	3,245,231	(22,992) (0.71)
Deferred tax assets		780,405	715,668	64,737 9.05
Other assets-net		4,630,821	6,269,734	(1,638,913) (26.14)
Total assets		778,875,852	719,252,066	59,623,786 8.29
Deposits from the Central Bank and banks		12,951,795	1,258,030	11,693,765 929.53
Financial liabilities at fair value through profit or loss		46,156,482	39,316,822	6,839,660 17.40
Financial liabilities for hedging		468,407	570,267	(101,860) (17.86)
Payables		9,741,405	9,227,066	514,339 5.57
Current tax liabilities		697,352	749,553	(52,201) (6.96)
Deposits and remittances		634,513,218	600,463,448	34,049,770 5.67
Financial debentures		9,842,920	6,151,350	3,691,570 60.01
Other financial liabilities		-	15,373	(15,373) (100.00)
Provisions		506,187	819,485	(313,298) (38.23)
Lease liabilities		2,649,764	2,410,888	238,876 9.91
Deferred tax liabilities		845,731	843,455	2,276 0.27

 Continued

Item	Year	2024	2023	Increase/ (Decrease) Variance	
				Amount	%
Other liabilities		8,021,522	6,800,156	1,221,366	17.96
Total liabilities	Before distribution	726,394,783	668,625,893	57,768,890	8.64
	After distribution	726,394,783	668,625,893	57,768,890	8.64
Equity attributable to owners of the parent company		52,481,069	50,626,173	1,854,896	3.66
Common stock	Before distribution	29,105,720	29,105,720	-	-
	After distribution	29,105,720	29,105,720	-	-
Capital surplus		5,794,771	5,794,771	-	-
Retained earnings	Before distribution	18,170,732	15,949,804	2,220,928	13.92
	After distribution (Note 1)	14,727,369	12,768,901	1,958,468	15.34
Other equity interest		(590,154)	(224,122)	(366,032)	163.32
Total equity	Before distribution	52,481,069	50,626,173	1,854,896	3.66
	After distribution (Note 1)	49,037,706	47,445,270	1,592,436	3.36

Note 1 : The 2024 earnings appropriation of the Company was approved by the Board meeting on 7 March 2025.

Anticipated business goals with the rationale and financial impact: Please refer to Report to the Shareholders.

Reasons for material changes (if any):

1. Financial assets at fair value through profit or loss: Mainly from increase in interest rate swap revaluation.
2. Debt instrument investments measured at amortized cost: Mainly from increase in negotiable certificates of deposit.
3. Financial assets for hedging: Mainly from increase in cash flow hedge of cross currency swap.
4. Securities and bonds purchased under resell agreements: Mainly from increase in government bonds and corporate bonds.
5. Current tax assets: Mainly from decrease in prepaid income tax.
6. Other assets-net: Mainly from decrease in refundable deposits.
7. Deposits from the Central Bank and banks: Mainly from increase in call loans from banks-affiliates.
8. Financial debentures-net: Mainly from the maturity of financial debentures issued by the Company and new issuance.
9. Other financial liabilities: Mainly from decrease in structured deposits.
10. Provisions: Mainly from decrease in provision for employee benefits.
11. Other equity interest: Mainly from variance in hedging instruments.

Analysis of Financial Conditions - Standalone : Not Applicable.

II. Analysis of Financial Results

Unit : NTD'000

Year \ Item	2024	2023	Increase / (Decrease) Variance	
			Amount	%
Interest income	23,995,008	18,703,011	5,291,997	28.29
Less: interest expense	16,735,135	13,017,122	3,718,013	28.56
Net interest income	7,259,873	5,685,889	1,573,984	27.68
Net non-interest income	11,246,037	10,961,395	284,642	2.60
Net revenue	18,505,910	16,647,284	1,858,626	11.16
Bad debt expenses, commitment, and guarantee liability provisions (gains on reversal)	1,483,914	1,168,320	315,594	27.01
Operating expenses	10,692,923	9,724,366	968,557	9.96
Profit from continuing operations before tax	6,329,073	5,754,598	574,475	9.98
Less: Income tax expenses	1,116,263	921,834	194,429	21.09
Profit from continuing operations	5,212,810	4,832,764	380,046	7.86
Profit (loss) from discontinued operation	-	-	-	-
Profit	5,212,810	4,832,764	380,046	7.86
Other comprehensive income (net of tax)	(177,011)	486,249	(663,260)	(136.40)
Total comprehensive income	5,035,799	5,319,013	(283,214)	(5.32)
Profit attributable to owners of the parent company	5,212,810	4,832,764	380,046	7.86
Profit attributable to non-controlling interest	-	-	-	-
Total comprehensive income attributable to owners of the parent company	5,035,799	5,319,013	(283,214)	(5.32)
Total comprehensive income attributable to non-controlling interest	-	-	-	-
Earnings per share	1.79	1.66	0.13	7.83

Anticipated business goals with the rationale and financial impact: Please refer to Report to the Shareholders.

Reasons for the material changes (if any):

1. Interest income and expense: Mainly from increase in average interest rate. The growth in volume and margin was driven by higher call loans to banks and customer deposits.
2. (Reversal of) bad debt expense and guarantee liability provision: Mainly from increase in bad debt expenses driven by customer loans growth.
3. Income tax expenses: Mainly from increase in current income tax expenses.
4. Total comprehensive income (loss) attributable to owners of the parent company: Mainly from variance in hedging instruments.

Analysis of Financial Results - Standalone : Not Applicable.

III. Cash Flow

(I) Liquidity Analysis for the Past Two Years

Item	Year	2024	2023	Increase / (Decrease) Variance	
				Amount	%
Cash flow ratio (%)		(1.38)	97.86	(99.24)	(101.41)
Net cash flow adequacy ratio (%)		627.52	706.27	(78.75)	(11.15)
Ratio of cash flow from operations to cash flow from investments (%)		(52.54)	7,209.66	(7,262.20)	(100.73)

Explain the reasons for the changes in each financial ratio over the past two years. (No analysis will be required if the increase or decrease does not exceed 20%.)

Cash Flow Ratio, Cash Flow Adequacy Ratio: Mainly affected by net cash inflow from operating activities.

Note : The formulas for calculating cash flow ratios are as follows:

- (1) Cash flow ratio = Net cash flow from operating activities / (Call loans and overdrafts from banks + Commercial paper payable + Financial liabilities at fair value through profit or loss + Securities and bonds sold under repurchase agreements + Current portion of payables).
- (2) Cash flow adequacy ratio = Net cash flow from operating activities for the past five years / (Capital expenditures + Cash dividends) for the past five years.
- (3) Ratio of cash flow from operations to cash flow from investments = Net cash flow from operating activities / Net cash flow from investing activities.

Liquidity Analysis for the Past Two Years - Standalone : Not Applicable.

(II) Liquidity Analysis for the Next Year

Unit : NTD'000

Cash Balance at the Start of the Period (1)	Net Operating Cash Flow for the Whole Year (2)	Net Investing and Financing Cash Flow for the Whole Year (3)	Cash Surplus (Deficit) (1)+(2)+(3)	Remedy Plan in case of Cash Deficiency	
				Investment Plan	Financing Plan
17,266,962	(3,404,827)	(1,464,355)	12,397,780	None	None

IV. Impact on the Company's Financial Structure and Business from Substantial Capital Expenditure in the Most Recent Year

(I) Major Capital Expenditures in the Most Recent Year

Through branch optimisation and relocation, the Company can uplift operation efficiency and provide clients with higher quality environment and convenient services. In 2024, the Bank relocated Wenxin Branch in Taichung area, the first Priority Private Center of Taiwan, and established branches in Yonghe and Xinzhuang districts of New Taipei City. Standard Chartered Taiwan will continue to uphold its commitment to the market, and to provide world-leading banking services to local clients.

Unit : NTD'000

Project Item		Capital Expenditures
Branch relocation and renovation	Yonghe Branch	22,253
	Shizheng Branch	24,662
	Xinzhuang Branch	14,561
	Branch signage refresh	9,038
Information Technology (Software)	ATM	27,817
	IT Upgrade Probe to PCCM	13,118

(II) The foregoing major capital expenditures do not have significant financial or business impacts to the Company.

V. Reinvestment Policy for 2024, Main Reasons for Investment Gain or Loss, and the Improvement and Investment Plan for the Next Year :

The primary objective of the Company's reinvestment plans is to generate operational synergy and strengthen cross-sector management as a financial institution. As of 2024, net realized gain from investee companies totalled NTD19,507 thousand, which was primarily contributed by cash dividends from investee companies.

VI. Risk Management

(I) Qualitative and Quantitative Information of All Risks

1. Credit Risk Management Structure and Capital Requirement

(1) Credit Risk Management Structure

Year 2024 Description	Disclosure
1. Credit risk strategy, goal, policy and procedure	The management of risk lies at the heart of the Company's business. One of the main risks we incur arises from extending credit to customers through our trading and lending operations. Effective risk management is fundamental to being able to generate profits consistently and sustainably and is thus a central part of the financial and operational management of the Company. Strategy & Goal Through our enterprise risk management framework ("ERMF") we manage enterprise-wide risks, with the objective of optimising risk-adjusted returns while remaining within our risk appetite. Under the ERMF, we use a set of principles that describe the risk management culture we wish to sustain: Balancing risk and reward: risk is taken in support of the requirements of our stakeholders, in line with our strategy and within our risk appetite; Responsibility: it is the responsibility of all employees to ensure that risk-taking is disciplined and focused. We take account of our social, environmental and ethical responsibilities in taking risk to produce a return; Accountability: risk is taken only within agreed authorities and where there is appropriate infrastructure and resource. All risk-taking must be transparent, controlled and reported; Anticipation: we seek to anticipate future risks and maximise awareness of all risks; and Competitive advantage: we seek competitive advantage through efficient and effective risk management and control. Policies and Procedures The credit policies and procedures are reviewed and approved by the Board, which also oversees the delegation of credit approval and loan impairment provisioning authorities. Policies and procedures that are specific to each business are established. These are consistent with the Group-wide credit policies and procedures, but are more detailed and adapted to reflect the different risk environments and portfolio characteristics.
2. Credit risk management organisation and structure	Ultimate responsibility for the effective management of risk rests with the Company's Board. The Executive Risk Committee, through its authority delegated by the Board, is directly responsible for the management of credit risk.

Year 2024 Description	Disclosure
	The management of credit risk includes approving standards (and policies) for the measurement and management of credit risk, approval of delegated approval authority framework and responsibilities to sub-committees and to Risk Officers. The Risk function is independent of the origination, trading and sales functions to ensure that the necessary balance in risk/return decisions is not compromised. The Board receives regular reports on risk management and are authorised to investigate or seek any information relating to an activity within its term of reference. Internal Audit is an independent function that reports to the Board. It provides assurance that policies and procedures are being complied with. Internal Audit conducts independent testing on the implementation of the Company's policies and procedures, and the findings and recommended corrective actions from the audits are reported to all relevant management and governance bodies.
3. The scope and characteristics of credit risk report and evaluation system	Risk measurement plays a central role, along with judgment and experience, in informing risk-taking and portfolio management decisions. Various risk measurement systems are available to the Risk function to enable them to assess and manage the credit portfolio. These include systems to calculate probability of default (PD), loss given default (LGD) and exposure at default (EAD) on a transaction, counterparty and portfolio basis. A number of internal risk management reports are produced on a regular basis, providing information such as, individual counterparty, counterparty group, portfolio exposure, credit grade migration, the status of accounts or portfolios showing signs of weakness or financial deterioration, models performance and updates on credit markets. The Company regularly monitors credit exposures, portfolio performance, and external trends which may impact risk management outcomes. Internal risk management reports are presented to Executive Risk Committee, containing information on key environmental, political and economic trends across major portfolios and countries; portfolio delinquency and loan impairment performance.
4. Policies for credit risk hedge and mitigation, as well as the strategy and procedure for maintaining efficiency in risk hedge and mitigation tools	Potential credit losses from any given account, customer or portfolio are mitigated using a range of tools such as collateral, netting agreements, credit insurance, credit derivatives and other guarantees. The reliance that can be placed on these mitigants is carefully assessed in light of potential issues such as legal certainty and enforceability, market valuation correlation and counterparty risk of the guarantor. Risk mitigation policies determine the eligibility of collateral types. Collateral types which are eligible for risk mitigation include: cash, residential, commercial and industrial property; fixed assets such as motor vehicles, aircraft, plant and machinery; marketable securities; commodities; bank guarantees and letters of credit. The Company also enters into collateralised reverse repurchase agreements.

Year 2024 Description	Disclosure
	Where guarantees or credit derivatives are used as Credit Risk Mitigation (CRM), the creditworthiness is assessed and established using the credit approval process in addition to that of the obligor or main counterparty. Collateral is valued in accordance with the CRM, which prescribes the frequency of valuation for different collateral types, based on the level of price volatility of each type of collateral and the nature of the underlying product or risk exposure. Collateral held against impaired loans is maintained at fair value. Certain credit exposures, e.g. non-recourse receivable service, are mitigated using credit default insurance. Bilateral and multilateral netting agreements are used to reduce counterparty credit risk. Counterparty credit exposures are generally netted using bilateral netting documentation in legally approved jurisdictions, Delivery vs. Payment or Payment vs. Payment systems.
5. Method used for regulatory capital calculation	Standardised Approach

(2) Required Capital for Credit Risk under Standardised Approach

31 December 2024

Unit : NTD'000

Exposure Type	Exposure after Risk Mitigation	Required Capital (Note)
Sovereign	152,009,843	370,964
Non-central government public sector entities	-	-
Banks (including multilateral development banks)	180,604,251	5,017,297
Corporations (including security and insurance companies)	98,846,868	5,943,164
Retail	41,671,066	2,517,503
Residential mortgage	226,345,992	7,059,875
Equity security investment	1,023,909	84,966
Other assets	11,747,775	695,626
Total	712,249,703	21,689,395

Note : Required capital equals exposure after risk mitigation multiplied by risk weight and minimum regulatory capital adequacy ratio.

2. Exposures and Capital Requirement under the Asset-backed Securitisation Management Structure :

Not applicable.

The Company has no securitisation assets nor offers mortgage-backed securitisation product.

3. Operational Risk Management Structure and Capital Requirement

(1) Operational Risk Management Structure

Year 2024 Description	Disclosure
1. Strategy and procedure of operational risk management	The Company has set up and follows the Operational and Technology Risk Type Framework ("O&TRTF") for operational risk management. The O&TRTF builds on Enterprise Risk Management Framework and covers the operational risk related to inadequate or failed internal processes, and systems, human error, or from the impact of external events (including legal risks). According to the O&TRTF, it should be managed through the Risk and Control Self-Assessment ("RCSA") cycle, which includes the following stages: Process Universe, Inherent Risk Assessment, Control Design Assessment, Risk and Control Monitoring, Residual Risk Assessment and Response and Reporting. Responsibility for the management of operational risk rests with businesses and functions. The O&TRTF sets out the respective responsibilities of the Three Lines of Defense.
2. Operational risk management organisation and structure	Governance over operational risk management is achieved through a defined structure of committees. The Executive Risk Committee ("ERC") is designed to oversee and to challenge the effectiveness of risk management and control. They may also be authorised to take certain risk acceptance and control decisions which are outside the authority of individual managers. The ERC oversees the management of operational risks at the country level and ensures that an appropriate and robust risk management framework is in place to monitor and manage operational risk. Its scope includes all client segments, products and functions. The Company also receives strong support from SCB regional and group business and operational risk management functions based outside of Taiwan.
3. The scope and characteristics of operational risk report and evaluation system	According to the O&TRTF, the First Line of Defense ("1LoD") is required to comply with the applicable laws and regulatory expectations, and manage the risk that arises from first line activities, and comply with policies set by the Second Line of Defense ("2LoD"). The 2LoD is responsible to provide challenge, guidance, and oversight over the 1LoD, set policies that the 1LoD must adhere to, assess the overall risk levels relating to Operational Risk sub-types, and to confirm the effectiveness of their policies to the Country Head of OR. The operational risk sub-types include transaction processing, product management, client service resilience, technology risk, change management, people management, safety and security, corporate governance, enterprise risk governance, financial books and records, financial regulatory reporting, tax obligations, and legal enforceability.

Year 2024 Description	Disclosure
	The 1LoD reports operational risk and measures the effectiveness of controls via Key Control Indicators, Control Sample Test, and Key Risk Indicators. Additionally, the Third Line of Defense ("3LoD") comprises the independent assurance provided by the Group Internal Audit ("GIA") function. GIA provides independent assurance of the effectiveness of management's control of the 1LoD and the 2LoD. As a result, GIA provides assurance that the overall system of control effectiveness is working as required within the Risk Type Framework.
4. Policies for operational risk hedge/mitigation, as well as the strategy and procedure for maintaining efficiency in risk hedge/mitigation tools	The Company conducts its risk identification and assessment (including loss incidents and self-assessment) in accordance with the O&TRTF. The identified risk shall be escalated to the authority defined in O&TRTF for risk monitoring by the management. Risk management information shall at least include: detailed information of operational risk exposure, risk ratings (including impact and likelihood ratings), risk and mitigation action ownership, target date for reducing risk exposure within appetite and operational loss. Risk management information must also ensure data quality by verified and monitored data source.
5. Method used for regulatory capital calculation	Basic Indicator Approach.

(2) Required Capital for Operational Risk

31 December 2024

Unit : NTD'000

Year	Gross Operating Profit	Required Capital
2022	12,766,035	
2023	16,716,347	
2024	18,399,055	
Total	47,881,438	2,394,072

Note : Operational risk is calculated by following the instructions given in Appendix 1 Calculation of Annual Gross Income, Part 4 Operational Risk of the "Banks' Self-owned Capital to Risk-weighted Assets". The Company has made minor adjustment on the definitions for sale of property gain/loss and outsourced service fees after reviewing the components of annual gross income. The new definition has been adopted by the Company in computing its operational risk since 2017.

4. Market Risk Management Structure and Capital Requirement

(1) Market Risk Management Structure

Year 2024 Description	Disclosure																																			
1. Strategy and procedure of market risk management	The Company recognises market risk as the risk of loss resulting from changes in market prices and rates. The Company is exposed to market risk arising principally from customer-driven transactions. The objective of the Company’s market risk policies and processes is to obtain the best balance of risk and return while meeting clients’ requirements.																																			
2. Market risk management organisation and structure	Market Risk Taiwan team follows the regulatory requirements of the Taiwan Financial Supervisory Commission to develop the market risk management policies and procedures, which include the trading book and banking book. The market risk policies, procedures and limits are annually reviewed by Market Risk Taiwan team and are in line with Group Market Risk Committee guidance. Market risk limits are proposed by the business within the terms of the agreed policy. Limits are presented to the Executive Risk Committee or delegated manager for approval with its authority delegated by the Board. Market risk appetite requires approval from the Board. Market Risk Taiwan team monitors exposures against these limits on a daily basis. Related market risk management results are reported to the Executive Risk Committee at a minimum on a quarterly basis. The Company also receives strong support from SCB regional and group business and market risk management functions based outside of Taiwan.																																			
3. The scope and characteristics of market risk report and evaluation system	The scope of market risk report produced by Market Risk Taiwan team covers market exposures in both trading book and banking book. The primary categories of market risk for the Company are interest rate risk and currency exchange rate risk linked to trading products in financial markets, as the Company has not held any risk exposures relating to commodities price risk or equity price risk. The Company measures the risk of losses arising from future potential adverse movements in market rates, prices and volatilities using a Value at Risk (VaR) methodology. VaR, in general, is a quantitative measure of market risk which applies recent historical market conditions to estimate the potential future loss in market value that will not be exceeded in a set time period at a set statistical confidence level. The table below lists the market risk (such as exchange rate or interest rate) of financial instruments of the Company. Market risk represents potential losses that the Company may suffer in one day when unfavourable changes occur on the Company’s position at a 97.5% confidence interval under a certain price probability distribution. Unit : NTD’000 <table><tr><th></th><th colspan="3">2024</th><th colspan="3">2023</th></tr><tr><th></th><th>Average</th><th>Maximum</th><th>Minimum</th><th>Average</th><th>Maximum</th><th>Minimum</th></tr><tr><td>Trading book VaR</td><td>13,733</td><td>56,465</td><td>6,872</td><td>16,311</td><td>29,985</td><td>10,236</td></tr><tr><td>Banking book fair value VaR</td><td>23,079</td><td>31,716</td><td>17,804</td><td>47,533</td><td>68,482</td><td>14,737</td></tr><tr><td>Total VaR</td><td>28,846</td><td>56,313</td><td>20,289</td><td>50,191</td><td>70,828</td><td>23,608</td></tr></table>		2024			2023				Average	Maximum	Minimum	Average	Maximum	Minimum	Trading book VaR	13,733	56,465	6,872	16,311	29,985	10,236	Banking book fair value VaR	23,079	31,716	17,804	47,533	68,482	14,737	Total VaR	28,846	56,313	20,289	50,191	70,828	23,608
	2024			2023																																
	Average	Maximum	Minimum	Average	Maximum	Minimum																														
Trading book VaR	13,733	56,465	6,872	16,311	29,985	10,236																														
Banking book fair value VaR	23,079	31,716	17,804	47,533	68,482	14,737																														
Total VaR	28,846	56,313	20,289	50,191	70,828	23,608																														

Year 2024 Description	Disclosure
	Losses beyond the confidence interval are not captured by a VaR calculation, which therefore gives no indication of the size of unexpected losses in these situations. The Company complements the VaR measurement by stress testing of market risk exposures to highlight the potential risk that may arise from extreme market events that are rare but plausible. Stress testing is an integral part of the market risk management framework and considers both historical market events and forward looking scenarios. Stress testing is applied to trading and banking book fair value portfolios, respectively.
4. Policies for market risk hedge/mitigation, as well as the strategy and procedure for maintaining efficiency in risk hedge/mitigation tools	Market Risk is mitigated by the Company's standard process as risk is measured, monitored, reported and controlled on a portfolio basis. Market risk policies, procedures and limits are annually reviewed by Market Risk Taiwan team with approval by the delegated authority. The Traded Risk Type Framework is presented to the Board for approval. All products used in risk mitigation must be authorised products in their own right with appropriate Product Programs. Any product a business uses for risk mitigation must be explicitly referenced in the Market Risk limit for the business.
5. Method used for regulatory capital calculation	Standardised Approach / Delta-Plus for Options

(2) Required Capital for Market Risk

31 December 2024

Unit : NTD'000

Item	Required Capital
Interest Rate Risk	5,605,692
Equity Position Risk	-
Foreign Exchange Risk	84,833
Commodities Risk	-
Total	5,690,525

5. Liquidity risk

(1) Maturity analysis of assets and liabilities

Structure Analysis of Maturity Date – New Taiwan Dollars

31 March 2025

Unit : NTD'000

	Remaining period to expiration						
	Total	1~10 days	11~30 days	31~90 days	91~180 days	181days~1 year	Over 1 year
Capital Provided	924,829,359	66,881,857	115,864,768	184,302,320	124,194,732	127,203,553	306,382,129
Capital Used	999,470,587	38,638,622	119,373,917	223,928,843	150,723,311	150,205,790	316,600,104
Gap	(74,641,228)	28,243,235	(3,509,149)	(39,626,523)	(26,528,579)	(23,002,237)	(10,217,975)

Structure Analysis of Maturity Date – US Dollars

31 March 2025

Unit : USD'000

	Remaining period to expiration					
	Total	0~30 days	31~90 days	91~180 days	181days~1 year	Over 1 year
Capital Provided	30,698,779	10,157,579	8,192,031	5,027,569	6,222,829	1,098,771
Capital Used	33,450,313	10,849,748	10,305,159	5,427,605	4,035,794	2,832,007
Gap	(2,751,534)	(692,169)	(2,113,128)	(400,036)	2,187,035	(1,733,236)

(2) Measures for liquidity management of assets and capital gap

Refer to the Financial Statements of Appendix 1 from page 105 to 109.

(II) Impact of Changes in Domestic/Foreign Major Policies and Laws on the Bank's Financial Structure and Business and Responsive Actions Thereof

1. The Ministry of Finance promulgated the amendment to the "Regulations Governing the Implementation of the Common Standard on Reporting and Due Diligence for Financial Institutions" in May 2021; Financial Supervisory Commission ("FSC") stipulated the mandatory disclosure items in relation to the information of capital adequacy and risk management for local banks in March 2021 according to the Paragraph 2 of Article 19 of "Regulations Governing the Capital Adequacy and Capital Category of Banks", the Article 5 of "Standards Implementing the Liquidity Coverage Ratio of Banks", and the Article 5 of "Standards Implementing the Net Stable Funding Ratio of Banks". In April 2021, FSC also promulgated the amendment of "Regulations Governing the Applicable Scope of Special Circumstances for the Public Announcement and Filing of Financial Reports and Operational Status Reports by Public Companies".
2. The Company is complied with the above regulations and has implementation in place. In addition, the Conduct, Financial Crime & Compliance Department ("CFCC") of the Company continues to focus on the development of the regulatory environment, and closely monitor as well as timely disseminate key regulatory changes to relevant stakeholders for reviewing and assessing the corresponding actions, in order to mitigate the potential impacts to the financial and business of the Company.

(III) Impact of Technological (including Information Security Risk) and Industrial Changes in the Bank's Financial Structure and Business and Responsive Actions Thereof

Given the increasing use of Artificial Intelligence ("AI") in financial industry, the Company's AI strategy is taking a dual approach: aggressively pursuing innovative application cases whilst prudently implementing solutions to ensure regulatory compliance. The Company has implemented 4 AI initiatives, which includes Chatbot, Voicebot, Optical Character Recognition, and Fraud detection from Identity Card, which bring the benefits in reducing the operation workload and potential fraud risk. The Company has implemented SC GPT in Q1 2025, which is Generative AI utilising Microsoft Azure's Open AI GPT and is limited within our network under our defined controls to improve the internal work efficiency. In addition, the Company continues to utilize cloud services to improve service delivery and scalability, also enhance overall system performance. The Company will continue to uphold its service commitment of "Here for Good", promote sustainable development through the core banking business, and expand its influence with customers and partners.

(IV) Impact of Changes in Corporate Image on the Bank and Responsive Actions Thereof

Brand image and reputation are the most significant intangible assets for a bank. Protecting a bank's reputation will take priority over all activities including revenue generation activities at all times. The Company has specific reputational risk policy and procedure, in particular, the local and group level mechanisms of reputational risk management: from anticipation, monitoring, reporting, fast tracking, to supervision, that are thorough and comprehensive, as guarantees to ensure the least likelihood of the incident of reputational risks.

The Company delivers strong performance across its footprints in Asia, Africa, and Middle East, through focusing on its core businesses, and strong risk management mechanisms. Taiwan is one of the key growth markets for the Company in Greater China and North Asia region. The Company remains prudent and is devoted to bolstering its service quality and risk management by regular employee trainings, reinforcing the Company's brand image and protecting consumers' rights. Such practice is closely integrated with ensuring a sustainable business, executing responsible selling and marketing, combating financial crimes, enhancing banking service network, and participating in environmental protection and community services. We are committed to our brand promise - here for good - which has embedded in every employee's daily routine, known among all stakeholders, and deemed as the best brand image among clients. The Company continues its education efforts in risk management and anti-money laundering, as well as increases its investment on control and compliance efforts.

(V) Anticipated Benefits, Potential Risks and Responsive Actions for M&A :

None

(VI) Anticipated Benefits, Potential Risks and Responsive Actions for Expansion of Business Locations

In order to provide clients with higher quality services and environment, Huanbei Branch, Xinshe Branch and Wenxin Branch were relocated while Yuanli Branch and Kaohsiung Branch were renovated in 2024. The Company sent separate notifications to the relocated branch clients, posted announcement in the branches, and added top news in the Company's official website prior to relocation so as to minimise the inconvenience to clients. Cautious actions were taken to properly deal with the rights and obligations of existing clients, or alternative services were provided to ensure their interests were protected in the course of branch relocation.

(VII) Business Concentration Risk and Responsive Actions Thereof

To be in compliance with Article 33.3 of the Banking Act, the Company regularly discloses and reports the credit extensions for the same legal person, the same natural person, the same concerned party and the same related entity.

In addition, the target markets and overall characteristics of the credit portfolios, including credit decentralisation and appetite targets, have been clearly set in the Portfolio Standards ("PS") of the Company. The PS is established according to the business strategies and within acceptable appetite targets and principally includes measurable quantitative portfolio parameters, covering concentration caps of major industry sectors, credit grade distribution, collateralisation, and tenor profile.

As to the management of concentration to single corporate entity and customer groups, it is aligned with the "Credit Risk Management Guidelines of Concentration to Single Corporate Entity and Customer Groups" as approved by the Executive Risk Committee. The concentration risk limits for single corporate entity, affiliated counterparties, and customer groups are established on the basis of internal credit grades to ensure concentration risk on large exposures is properly addressed and managed.

(VIII) Impact, Risks and Responsive Actions for Change of the Bank's Ownership :

None

(IX) Impact, Risks to the Bank and Responsive Actions Thereof due to a Major Transfer or Change in Ownership of Shares belonging to Directors, Supervisors or Major Shareholder with over 1% of Shareholding

The previous shareholder of the Company, i.e. Standard Chartered Bank, had transferred all of its holding of the shares of the Company to Standard Chartered NEA Limited on 1 October 2019 for internal restructure purpose. Standard Chartered NEA Limited has acquired all shares issued by the Company. There is no significant impact or risk against the operation of the Company.

(X) Litigation and Non-litigation Matters

The Company was not involved in any material litigations in 2024 and up to the printing date of the annual report.

(XI) Other Critical Risks and Responsive Actions Thereof :

None

VII. Emergency Response Mechanism

To ensure that the Company is capable of continuing critical business operations to reduce any potential risks of severe disruption to business, financial and reputational damage, the Company has instituted the "Crisis Management Team" and "Recovery Working Group" with dedicated assignment of responsibilities to carry out Crisis Management Plan whilst facing an unexpected disaster.

Crisis Management Team convened by Chief Executive Officer collectively formulate response strategies & actions with Executive Management team to address critical incidents, which may bring severe impact on the business operation of the Company. Recovery Working Group will base upon the decision to manage the emergency response actions to mitigate the impact on the business operation.

The Country Business Continuity Plan ("BCP") Strategy and departmental Business Continuity Plans are reviewed and updated, and BCP drills are conducted annually. IT Disaster Recovery Plan is developed and tested by Technology and Innovation Department to ensure that system recovery capabilities are sufficient to facilitate the implementation of all BCPs.

The significant incidents will be notified to concerned key stakeholders based on the "Standard Chartered Bank Taiwan Limited Rules Governing the Handling of Material Incidents". Corporate Affairs and Brand & Marketing is the designated unit for media inquiries if necessary.

VIII. Other Important Matters :

None

VI. Other Items Deserving Special Mention

- 120 Information on Affiliated Enterprises
- 124 Private Placement of Securities and Financial Debentures
- 124 Other Supplementary Notes

Futuremakers and the Taipei Parents Association of the Visually Impaired (PAVI) jointly organized a workshop.



I. Information on Affiliated Enterprises

(I) Organizational Chart, Basic Information and Business Overview of Affiliated Enterprises :

Not applicable.

(II) Consolidated Financial Statements of Affiliated Enterprises :

Not applicable.

(III) Affiliation Reports

Declaration

The 2024 Affiliation Report of Standard Chartered Bank (Taiwan) Limited for the period from January 1, 2024 to December 31, 2024 has been prepared in conformity with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises". No material discrepancy was found in the Report as compared to the relevant information disclosed in the Notes to the Financial Statements for the same period.

Standard Chartered Bank (Taiwan) Limited

Chairman : Wai Yi Mary Huen



March 7, 2025



安永聯合會計師事務所

11012 台北市基隆路一段333號9樓
9F, No. 333, Sec. 1, Keelung Road,
Taipei City, Taiwan, R.O.C.

Tel: 886 2 2757 8888
Fax: 886 2 2757 6050
ey.com/zh_tw

Independent Auditors' Review of the Affiliation Report

Standard Chartered Bank (Taiwan) Limited

We have conducted the review of the 2024 Affiliation Report of Standard Chartered Bank (Taiwan) Limited (the 'Company') in accordance with articles promulgated on dated November 30, 1999 in the letter of Ref. No. (88)-Tai-Tsai-Zheng-(VI)-04448 issued by the Securities and Futures Bureau, Financial Supervisory Commission R.O.C (formerly known as Securities and Exchange Commission, Ministry of Finance). This review is to verify if the 2024 Affiliation Report of the Company are in compliance with "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" and if the information disclosed in the 2024 Affiliation Report has material inconsistency corresponding to those in the Notes to the Financial Statements audited by Ernst & Young dated March 7, 2025.

Based on our review, we are not aware of any violations of "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" regarding the preparation of the Affiliation Report mentioned above; furthermore, neither material inconsistency found between the information disclosed in the Affiliation Report and those in the Notes to the audited Financial Statements.

/s/ Lin, Shr-huan

/s/ Chang, Cheng-tao

Ernst & Young, Taiwan

March 7, 2025

Notes to Readers

The Affiliation Report is 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 Affiliation Report, the Chinese version shall prevail.

1. Relationship with the Holding Company

Name of the Controlling Entity	Reason of Control	Controlling Entity's Shareholding and Pledged			Directors, Supervisors, or Managers Representing the Controlling Entity	
		Number of Shares ('000)	% of Shareholding	Number of Pledged Shares	Title	Name
Standard Chartered PLC ("SC PLC")	Holding 100 percent shares of SCB Hong Kong's shares					
Standard Chartered Bank Hong Kong Limited ("SCB Hong Kong")	Holding 100 percent shares of SC NEA's shares					
Standard Chartered NEA Limited ("SC NEA")	Holding 100 percent shares of the Company's shares	2,910,572	100%	None	Chairman	Wai Yi Mary Huen
					Director	Hia, Poh Lee Sebastian
					Director	Lau Tze Hau, William
					Director	Xiaomin Rong
					INED (Note)	Ban-Ren Chen
					INED (Note)	Hsiu-Yin Weng
					INED (Note)	Andrew James Hardacre

Note: INED, Independent Non-Executive Director

2. The Transactions Controlling Entities

- (1) Purchase & sale transaction : None.
- (2) Property transaction : None.
- (3) Working capital financing : Not applicable.
- (4) Asset lease: None.
- (5) Other significant transactions :

For the year ended December 31, 2024, the Company's transactions with "SCB Hong Kong" were as follows.

- a. Financial assets measured at fair value through profit or loss and financial liabilities measured at fair value through profit or loss were NTD 70,452 thousand and NTD 149,837 thousand, respectively, and the valuation loss was NTD 86,957 thousand;
- b. The deposits with banks were NTD 2,018,224 thousand and the interest income from the deposits with banks was NTD 208 thousand;
- c. The call loans to banks were NTD 3,936,288 thousand, the interest income from the call loans to banks was NTD 1,632,379 thousand, and the interest receivable from the call loans to banks was NTD 473 thousand;
- d. The time deposit was NTD 62,324,560 thousand, the interest expense from the time deposit was NTD 2,200,003 thousand, and the interest payable from the time deposit was NTD 1,025,035 thousand;
- e. The call loans from banks were NTD 11,345,083 thousand, the interest expense from the call loans from banks was NTD 709,768 thousand, and the interest payable from the call loans from banks was NTD 1,851 thousand;
- f. The issuance of financial debentures was NTD 9,840,720 thousand, the interest expense from the issuance of financial debentures was NTD 55,254 thousand, and the interest payable from the issuance of financial debentures was NTD 55,529 thousand;
- g. The net other non-interest income amounted to NTD 282,906 thousand and the related income receivable was NTD 282,448 thousand;
- h. The other general and administrative expenses amounted to NTD 143,732 thousand and the related fees payable was NTD 188,857 thousand.

3. Endorsements & Guarantees of the Company to the Controlling Entity: Not Applicable.

4. Other Material Transactions which were Significant to Financial and Business: None.

II. Private Placement of Securities and Bank Debentures :

Item	1 st Financial Debenture in 2024 Date of Issuance: 6 December 2024				
Security Type	Subordinated Bond				
Board Approval Date and Amount	29 August 2024 (USD300 million)				
Price Setting Justification	Coupon is Floating Rate Compounded Daily SOFR+2.04% Margin 2.04% is within arm's length range advised by KPMG Taiwan (1.37%-2.51%)				
Selection of Subscriber	The Company's related party Standard Chartered Bank (Hong Kong) Limited				
Reasoning for Private Placement	In consideration of the market demand and lack of USD denominated issuance locally				
Proceeds Receiving Date	6 December 2024				
Subscriber's info	Name	Qualification	Amount	Relation to the Company	Involvement with the Company
	Standard Chartered Bank (Hong Kong) Limited	Financial Institution	USD300 million	Related Party	Controlling entity of the Company's controlling entity SC NEA
Purchase Price	100				
Difference between Purchase Price and Indicative Price	None				
Impact on Shareholder's Equity	None				
Execution Status of the Capital Utilization Plan	Increase in the Company's Tier II capital				
Benefit of Private Placement	Capital adequacy ratio as of December 2024 improved as compared to that of in previous year				

III. Other Supplementary Notes :

None.

Appendix

126 Appendix 1: 2024 CPA Audited Financial Statements of the Bank
308 Appendix 2: Directory of Branches and Offices

The runners training camp for 2024 Standard Chartered Taipei Charity Marathon.



Appendix 1 : 2024 CPA Audited Financial Statements of the Bank

**STANDARD CHARTERED BANK
(TAIWAN) LIMITED**

Financial Statements

With Independent Auditors' Report

For the Years Ended December 31, 2024 and 2023

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

Financial Statements

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安永聯合會計師事務所

11012 台北市基隆路一段333號9樓
9F, No. 333, Sec. 1, Keelung Road,
Taipei City, Taiwan, R.O.C.

Tel: 886 2 2757 8888
Fax: 886 2 2757 6050
ey.com/zh_tw

Independent Auditors' Report

To the Board of Directors of Standard Chartered Bank (Taiwan) Limited,

Opinion

We have audited the accompanying balance sheets of Standard Chartered Bank (Taiwan) Limited (“the Company”) as of December 31, 2024 and 2023, and the related statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2024 and 2023, and notes to the financial statements, including the summary of significant accounting policies.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and their financial performance and cash flows for the years ended December 31, 2024 and 2023, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations developed by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee endorsed by Financial Supervisory Commission of the Republic of China (“FSC”).

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Jin-Guan-Yin-(Fa)-Zi No. 10802731571, and the 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 Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits, 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 for 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.

Recognition of loss provision for loans

As of December 31, 2024, total outstanding loan balance of the Company was \$306,246,055 thousand, accounting for 39% of total assets, which was significant to the Company's financial statements. The Company was required to assess and recognize the expected credit losses (ECL) provision in accordance with IFRS 9 and the *Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans*. The assumptions, including the indicators of significant increase in credit risk since initial recognition and credit impairment which has been incurred, the selection and incorporation of forward-looking information for the remaining life of an exposure, the quantitative measurement of probability of default (PD) and the loss given default (LGD), management applied to the ECL provision assessment involved exercise of significant professional judgment and was therefore a key audit matter for our audit.

We performed the following audit procedures, including but not limited to: evaluating and testing the controls related to ECL provision calculation, including examining whether ECL model has been approved by the management and testing the appropriateness of the inputs into the model, engaging the specialists to evaluate the appropriateness of ECL model, sampling all loans to test the appropriateness and reasonableness of the parameters used for ECL model, which include PD and LGD. In addition, we reviewed and examined whether the loss provision for loans is reserved in line with the minimum requirement of the regulations and ensured the appropriateness of loan classification in compliance with the regulations.

Please refer to note 4, 5, and 6 to the Company's financial statements for the disclosure on accounting policies and assessment of loss provision for loans.

Valuation of non-listed equity instrument investments

As of December 31, 2024, the balance of the Company's non-listed equity instrument investments classified as financial assets at fair value through other comprehensive income was \$1,023,909 thousand. Because there were no active market quoted prices for these non-listed equity instrument investments, fair value was determined by the Company's internal valuation techniques or external valuation experts which often involve the exercise of judgment and the use of assumptions and estimates. Change on the assumptions used by the Company would cause significant impact on fair value of these financial instruments. Therefore, we determined the valuation of non-listed equity instrument investments is a key audit matter.



We performed the following audit procedures, including but not limited to: evaluating and testing the controls related to valuation of non-listed equity instrument investments, including those controls over determining and approving the use of valuation models and their assumptions, any changes on the valuation techniques and assumptions, and management review. In addition, we engaged the valuation specialists to assist in reviewing the valuation techniques by sampling, understating and assessing the reasonableness of key assumptions, and performing independent valuation and determining whether the difference falls within the acceptable range.

Please refer to note 4, 5, and 6 to the Company's financial statements for the relevant disclosure on valuation of non-listed equity instrument investments.

Disclosures on related party transactions

The Company is one of the subsidiaries under Standard Chartered PLC (the "Group") and has signed multiple service agreements with significant amounts with other affiliates in the Group. The services include interbank fund transferring, derivatives trading, service income and service fees. Due to the risk of undisclosed or unidentified related party transactions, we determined disclosures on related party transactions is a key audit matter.

We performed the following audit procedures, including but not limited to: understanding and assessing the Company's processes of identifying related parties and related transactions, agreeing the total accounting records and balance of related party transactions to the records and balances that management provided, performing the reconciliation if any differences were identified.

Please refer to note 7 to the Company's financial statements for detailed disclosures on related parties and associated transactions.

Assessment of goodwill impairment

As of December 31, 2024, the balance of the Company's goodwill due to the acquisition of Asia Trust And Investment Corporation (ATIC) in 2008 was \$3,156,048 thousand. The Company was required to at least perform the impairment test on the goodwill generated from the acquisition annually in accordance with IAS 36. The goodwill was, firstly, allocated to cash generated units which was expected to benefit from the combined synergies as result of the acquisition. Next, the goodwill impairment test would be performed based on each cash generating unit. Given the fact that the determination of the recoverable amount of each cash generating unit involved exercise of significant professional judgment by management, which includes the historical operation experience, future development strategy, various assumptions and related assessment parameters used, we determined the assessment of goodwill impairment to be a key audit matter.

We performed the following audit procedures, including but not limited to: obtaining the management assessment on the raw data of the recoverable amount, including cashflow projection, growth rate, and relevant assumptions, discussing the process of the cashflow projection and the review procedure with the management, assessing the consistency of key assumptions used by the management and the appropriateness of the valuation model and the related assumptions used by the management in measuring the recoverable amount, taking into account of the profit forecast, comparing the inputs used in impairment test with external sources, and performing the sensitivity test.

Please refer to note 4, 5, and 6 to the Company's financial statements for the relevant disclosure on assessment of goodwill impairment.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations developed by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee endorsed by Financial Supervisory Commission of the Republic of China ("FSC") and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company.



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 internal control of the Company.
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 ability to continue as a going concern of the Company. 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 Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the accompanying notes, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 who charged with governance, we determine those matters that were of most significance in the audit of the financial statements for 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.

/s/ Lin, Shr-huan

/s/ Chang, Cheng-tao

Ernst & Young, Taiwan

March 7, 2025

Notice to Readers

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

Accordingly, the accompanying financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or the Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Financial Statements Originally Issued in Chinese
STANDARD CHARTERED BANK (TAIWAN) LIMITED
 Balance Sheets
 December 31, 2024 and 2023
 (Expressed in thousands of New Taiwan Dollars)

	Note	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
Assets					
11000 Cash and cash equivalents	6(1) & 7	\$17,266,962	2	\$16,057,392	2
11500 Due from the Central Bank and call loans to banks	6(1), 6(2), 6(6) & 7	179,861,570	23	158,131,533	22
12000 Financial assets at fair value through profit or loss	6(3) & 7	61,074,494	8	43,807,249	6
12100 Financial assets at fair value through other comprehensive income	6(4) & 6(6)	100,799,244	13	125,823,573	18
12200 Debt instrument investments measured at amortized cost	6(5)	16,000,345	2	10,078,082	1
12300 Financial assets for hedging	6(6)	3,869,842	1	241,921	-
12500 Securities and bonds purchased under resell agreements	6(1), 6(7) & 7	34,049,761	4	21,390,034	3
13000 Receivables-net	6(8) & 7	33,742,493	4	31,160,835	4
13200 Current tax assets	6(22)	170,705	-	261,244	-
13500 Discounts and loans-net	6(6), 6(9) & 7	306,246,055	39	286,059,393	40
15500 Other financial assets-net	6(10) & 8	11,754,086	2	10,521,438	2
18500 Property and equipment-net	6(11)	2,906,343	-	3,213,267	-
18600 Right-of-use assets-net	6(33)	2,500,487	-	2,275,472	-
19000 Intangible assets-net	6(12)	3,222,239	1	3,245,231	1
19300 Deferred tax assets	6(22)	780,405	-	715,668	-
19500 Other assets-net	6(13), 7 & 8	4,630,821	1	6,269,734	1
Total assets		<u>\$778,875,852</u>	<u>100</u>	<u>\$719,252,066</u>	<u>100</u>

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

English Translation of Financial Statements Originally Issued in Chinese

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Balance Sheets (Continued)

December 31, 2024 and 2023

(Expressed in thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
		Note			
Liabilities					
21000	Deposits from the Central Bank and banks	6(14) & 7	2	\$1,258,030	-
22000	Financial liabilities at fair value through profit or loss	6(3) & 7	6	39,316,822	6
22300	Financial liabilities for hedging	6(6)	-	570,267	-
23000	Payables	6(15)	1	3,264,516	-
23100	Related parties payable	7	1	5,962,550	1
23200	Current tax liabilities	6(22)	-	749,553	-
23500	Deposits and remittances	6(6), 6(16) & 7	81	600,463,448	84
24000	Financial debentures	6(17) & 7	1	6,151,350	1
25500	Other financial liabilities	6(18)	-	15,373	-
25600	Provisions	6(19) & 6(21)	-	819,485	-
26000	Lease liabilities	6(33)	-	2,410,888	-
29300	Deferred tax liabilities	6(22)	-	843,455	-
29500	Other liabilities	6(20) & 7	1	6,800,156	1
	Total liabilities		93	668,625,893	93
Equity					
31101	Common stock	6(23)	4	29,105,720	4
31500	Capital surplus	6(23)	1	5,794,771	1
32000	Retained earnings	6(23)			
32001	Legal reserve		1	10,850,008	1
32003	Special reserve		-	235,473	-
32005	Unappropriated earnings		1	4,864,323	1
			2	15,949,804	2
			-	(224,122)	-
32500	Other equity interest	6(23)			
	Total equity		7	50,626,173	7
	Total liabilities and equity		100	\$719,252,066	100

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

English Translation of Financial Statements Originally Issued in Chinese

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

(Expressed in thousands of New Taiwan Dollars, except for Basic Earnings Per Share)

			For the years ended December 31			
			2024		2023	
			Amount	%	Amount	%
		Note				
41000	Interest income	6(26) & 7	\$23,995,008	129	\$18,703,011	112
51000	Less: Interest expenses	6(26) & 7	16,735,135	90	13,017,122	78
49010	Net interest income		7,259,873	39	5,685,889	34
49020	Net non-interest income					
49100	Net service fee income	6(27) & 7	6,318,041	34	4,699,220	28
49200	Gains on financial assets or liabilities at fair value through profit or loss	6(28) & 7	5,543,749	30	5,783,746	35
49310	Realized gains (losses) on financial assets at fair value through other comprehensive income	6(4) & 6(29)	4,435	-	(251,827)	(1)
49450	Losses arising from derecognition of financial assets measured at amortised cost	6(9)	(11,267)	-	-	-
49600	Foreign exchange (losses) gains		(652,839)	(3)	553,361	3
49700	Impairment losses on assets	6(31)	(621)	-	(6,379)	-
49800	Net other non-interest income	6(6), 6(30) & 7	44,539	-	183,274	1
	Total net non-interest income		11,246,037	61	10,961,395	66
	Net revenue		18,505,910	100	16,647,284	100
58200	Bad debt expense, commitment and guarantee liability provisions	6(32)	1,483,914	8	1,168,320	7
58400	Operating expenses					
58500	Employee benefits expenses	6(21), 6(24), 6(34) & 7	5,321,292	29	5,120,723	31
59000	Depreciation and amortization expenses	6(11), 6(12), 6(33) & 6(35)	656,532	4	622,603	3
59500	Other general and administrative expenses	6(36) & 7	4,715,099	25	3,981,040	24
	Total operating expenses		10,692,923	58	9,724,366	58
61001	Profit from continuing operations before tax		6,329,073	34	5,754,598	35
61003	Less: Income tax expenses	6(22)	1,116,263	6	921,834	6
61000	Profit		5,212,810	28	4,832,764	29
65000	Other comprehensive income					
65200	Components of other comprehensive income that will not be reclassified to profit or loss					
65201	Remeasurements of defined benefit plans	6(21)	233,093	1	23,925	-
65204	Revaluation losses from investments in equity instruments measured at fair value through other comprehensive income		(58,468)	-	(60,618)	-
65220	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(22)	(46,619)	-	(4,785)	-
	Components of other comprehensive income that will not be reclassified to profit or loss		128,006	1	(41,478)	-
65300	Components of other comprehensive income that will be reclassified to profit or loss					
65305	(Losses) gains on hedging instruments	6(23)	(451,166)	(2)	286,705	1
65309	Revaluation gains from investments in debt instruments measured at fair value through other comprehensive income		64,521	-	324,473	2
65310	Impairment reversal gains (losses) from investments in debt instruments measured at fair value through other comprehensive income		102	-	(349)	-
65320	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(22)	81,526	-	(83,102)	-
	Components of other comprehensive income that will be reclassified to profit or loss		(305,017)	(2)	527,727	3
65000	Other comprehensive income		(177,011)	(1)	486,249	3
66000	Total comprehensive income		\$5,035,799	27	\$5,319,013	32
67500	Basic earnings per share (NTD)	6(25)	\$1.79		\$1.66	

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

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Statements of Changes in Equity

For the years ended December 31, 2024 and 2023
(Expressed in thousands of New Taiwan Dollars)

	Retained earnings				Other items in stockholders' equity		
	Common Stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments
Balance at January 1, 2023	\$29,105,720	\$5,794,771	\$10,035,629	\$247,892	\$2,714,597	\$(482,169)	\$(209,062)
Appropriation and distribution of retained earnings							
Legal reserve	-	-	814,379	-	(814,379)	-	-
Cash dividends	-	-	-	-	(1,900,218)	-	-
Reversal of special reserve	-	-	-	(12,419)	12,419	-	-
Net income	-	-	-	-	4,832,764	-	-
Other comprehensive income	-	-	-	-	19,140	237,745	229,364
Total comprehensive income	-	-	-	-	4,851,904	237,745	229,364
Balance at December 31, 2023	\$29,105,720	\$5,794,771	\$10,850,008	\$235,473	\$4,864,323	\$(244,424)	\$20,302
Balance at January 1, 2024	\$29,105,720	\$5,794,771	\$10,850,008	\$235,473	\$4,864,323	\$(244,424)	\$20,302
Appropriation and distribution of retained earnings							
Legal reserve	-	-	1,459,297	-	(1,459,297)	-	-
Special reserve	-	-	-	224,123	(224,123)	-	-
Cash dividends	-	-	-	-	(3,180,903)	-	-
Reversal of special reserve	-	-	-	(40,161)	40,161	-	-
Disposal of equity instrument investments measured at fair value through other comprehensive income	-	-	-	-	2,547	(2,547)	-
Net income	-	-	-	-	5,212,810	-	-
Other comprehensive income	-	-	-	-	186,474	(3,344)	(360,141)
Total comprehensive income	-	-	-	-	5,399,284	(3,344)	(360,141)
Balance at December 31, 2024	\$29,105,720	\$5,794,771	\$12,309,305	\$419,435	\$5,441,992	\$(250,315)	\$(339,839)

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

English Translation of Financial Statements Originally Issued in Chinese

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(expressed in thousands of New Taiwan Dollars)

	For the years ended December 31	
	2024	2023
Cash flows from operating activities		
Profit before tax	\$6,329,073	\$5,754,598
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	655,404	622,603
Amortization expense	1,128	-
Bad debt expense, commitment and guarantee liability provisions	1,483,914	1,168,320
Interest expenses	16,735,135	12,992,839
Interest income	(23,995,008)	(18,678,728)
Net change in other provisions	(34,038)	(101,594)
Gain on disposal of property and equipment	(133,815)	(208,020)
Impairment losses on assets	621	6,379
Total adjustments to reconcile profit (loss)	(5,286,659)	(4,198,201)
Changes in operating assets and liabilities		
Changes in operating assets		
Due from the Central Bank and call loans to banks	(39,102,714)	(2,443,537)
Financial assets at fair value through profit or loss	(17,267,245)	6,734,858
Financial assets at fair value through other comprehensive income	25,027,785	19,873,624
Debt instrument investment measured at amortized cost	(5,922,807)	20,333,090
Receivables	(2,671,072)	(11,030,127)
Discounts and loans	(21,233,628)	496,409
Other financial assets	(1,232,901)	1,632,908
Total changes in operating assets	(62,402,582)	35,597,225
Changes in operating liabilities		
Deposits from the Central Bank and banks	11,693,765	(380,218)
Financial liabilities at fair value through profit or loss	6,839,660	(5,016,018)
Payables	(202,827)	(765,995)
Deposits and remittances	34,049,770	12,956,803
Other financial liabilities	(15,373)	(216,622)
Other liabilities	1,221,366	(262,569)
Total changes in operating liabilities	53,586,361	6,315,381
Total changes in operating assets and liabilities	(8,816,221)	41,912,606
Total adjustments	(14,102,880)	37,714,405
Cash (outflow) inflow generated from operating activities	(7,773,807)	43,469,003
Interest received	23,903,257	18,339,927
Interest paid	(15,974,507)	(12,324,253)
Income taxes paid	(1,105,562)	(746,958)
Net cash flows (used in) generated from operating activities	(950,619)	48,737,719
Cash flows from investing activities		
Purchase of property and equipment	(163,146)	(237,673)
Proceeds from disposal of property and equipment	354,318	360,262
Decrease (increase) in derivatives collateral	1,574,998	(731,506)
Purchase of intangible assets	(17,374)	-
Disposal of intangible assets	39,238	15,511
(Decrease) increase in other assets	21,160	(82,600)
Net cash flows generated from (used in) investing activities	1,809,194	(676,006)
Cash flows from financing activities		
(Increase) decrease in financial instruments for hedging	(4,178,280)	837,755
Issuance of financial debentures	3,280,240	-
Payment of lease liabilities	(392,645)	(367,626)
Cash dividends paid	(3,180,903)	(1,900,218)
Net cash flows used in financing activities	(4,471,588)	(1,430,089)
Effect of foreign exchange rate changes	411,330	2,507
Net (decrease) increase in cash and cash equivalents	(3,201,683)	46,634,131
Cash and cash equivalents at beginning of period	145,905,703	99,271,572
Cash and cash equivalents at end of period	\$142,704,020	\$145,905,703
Composition of cash and cash equivalents		
Cash and cash equivalents reported in the statements of financial position	\$17,266,962	\$16,057,392
Due from the central bank and call loans to banks qualifying for cash and cash equivalents under the definition of IAS 7	91,387,297	108,458,277
Securities purchased under resell agreements qualifying for cash and cash equivalents under the definition of IAS 7	34,049,761	21,390,034
Cash and cash equivalents at end of period	\$142,704,020	\$145,905,703

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

English Translation of Financial Statements Originally Issued in Chinese
STANDARD CHARTERED BANK (TAIWAN) LIMITED
Notes to the Financial Statements
For the years ended December 31, 2024 and 2023
(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. Organization and operations

Standard Chartered Bank (Taiwan) Limited (the “Company”) was established on September 15, 1948, in the Taoyuan, Hsinchu, and Miaoli areas. The original name of the Company was Hsinchu District’s Mutual Loan Inc., which specialized in the mutual loan business, deposits, loans, and payment collection. In compliance with the Banking Act of the Republic of China (“ROC”), the Company restructured to become The Small and Medium Business Bank of Hsinchu District on January 1, 1978, and in addition to the original lines of business, the Company started to conduct checking deposit and regular banking businesses.

Pursuant to an approval granted by the Securities and Futures Commission (“SFC”), which subsequently changed its name to the Securities and Futures Bureau (“SFB”) on July 1, 2004, the Company’s shares were authorized to be publicly issued beginning March 1982 and publicly traded beginning March 22, 1983. Additionally, pursuant to approval granted by the Ministry of Finance (“MOF”), the Company established a Trust Department in January 1989, pursuant to approval granted by the SFC, the Company established the securities trading business in October 1989 and established the securities broker business in July 1992. In March 1993, pursuant to approval granted by the MOF, the Company established the International Business Department to operate the foreign exchange business, which was formally operated in August at the same year. In September 1994, pursuant to approval granted by the Taiwan provincial government MOF, the Company started cross-regional operations. On January 16, 1995, the Company established an Offshore Banking Unit (“OBU”), which began operations immediately.

The Company was approved by the MOF to operate as a commercial bank in September 1998 and changed its name to Hsinchu International Bank Co., Ltd. on April 20, 1999.

During 2006, Standard Chartered Bank provided a tender offer to acquire the outstanding shares of Hsinchu International Bank Co., Ltd. Accordingly, Standard Chartered Bank acquired over 95% of the outstanding shares. After completion of the acquisition of shares, Hsinchu International Bank Co., Ltd. immediately submitted the delisting application, which was approved by the related authorities on January 18, 2007. On June 30, 2007, the operations of Standard Chartered Bank, Taipei Branch were transferred to Hsinchu International Bank Co., Ltd.; subsequently, Hsinchu International Bank Co., Ltd. was renamed Standard Chartered Bank (Taiwan) Limited on July 2, 2007. As of December 31, 2024, the Company comprises a business department, a trust department, and an offshore banking unit, 52 branches in total.

The Company acquired the outstanding assets, liabilities and operations of American Express Bank, Taipei Branch (“AEB”) and Asia Trust Investment Co., Ltd. (“ATIC”) on August 1 and December 27, 2008, respectively.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

On October 9, 2014, the Company terminated trading of securities in the stock exchange market, trading of securities at the business establishment, margin purchase and short sale of securities, trading of futures and dissolved the securities branch.

On May 6, 2015, the Company was approved to start engaging in underwriting of bonds and marketable securities (limited to fixed income securities).

Approved by the board of directors in June 2016 and by the Insurance Bureau in July 2016, Standard Chartered Life Insurance Agency Co., Ltd. ("SCLIA") and Taiwan Standard Chartered Insurance Agency Co., Ltd. ("TSCIA"), which were 100 percent owned subsidiaries, were merged into the Company through absorption on October 1, 2016. The Company's stockholders' equity was not affected by the mergers. After the mergers, the assets, liabilities, rights and obligations of these two subsidiaries, as of the date of mergers, were generally assumed by the Company. Since the Company no longer has other subsidiaries, therefore, the Company only issues individual financial statements as of the fourth quarter of 2016.

The Company was approved by the Financial Supervisory Commissions R.O.C. ("FSC") to dissolve the International Business Department on October 21, 2016.

2. Date and procedures of authorization for issuance of the financial statements

The financial statements were authorized for issuance by the Board of Directors on March 7, 2025.

3. Newly issued or revised standards and interpretations

(1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Company applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are endorsed by Financial Supervisory Commission ("FSC") and became effective for annual periods beginning on or after January 1, 2024. The first-time adoption of these new standards and amendments had no material impact on the Company.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which are endorsed by FSC, and not yet adopted by the Company as at the end of the reporting period are listed below.

Item	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Lack of Exchangeability – Amendments to IAS 21	January 1, 2025

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

The abovementioned amendments are applicable for annual periods beginning on or after January 1, 2025 and have no material impact on the Company.

- (3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Company as at the end of the reporting period are listed below.

Item	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” - Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 “Insurance Contracts”	January 1, 2023
c	IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
d	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027
e	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	January 1, 2026
f	Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
g	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	January 1, 2026

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Company’s financial statements were authorized for issue, the local effective dates are to be determined by FSC. The Company assessed that the abovementioned standards and interpretations are inapplicable or have no material impact on the Company.

4. Summary of significant accounting policies

(1) Statement of compliance

The financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations developed by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee endorsed by FSC.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

(2) Basis of preparation

The financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The financial report includes DBU (Domestic Banking Unit) and OBU. Internal transactions and internal income and expenditure transactions from each branch are eliminated when compiling financial statements.

The Trust Department of the Company independently sets up accounts and prepares financial statements for the trust funds entrusted to be managed and used for internal management purposes. The Trust Department keeps a memorandum record for the trust assets entrusted for custody.

(3) Foreign currency transactions

Except for accounts in the OBU of the Company that are denominated in US Dollars, accounts in all entities are denominated in New Taiwan Dollars. For those transactions denominated in foreign currencies, assets and liabilities are recorded in their original foreign currencies, while all income and expense accounts are denominated in original foreign currencies and translated into New Taiwan Dollars at the daily closing exchange rates. At the report date, the financial statements amount in all foreign currencies are translated into New Taiwan Dollars at ruling exchange rates assigned on that date. The Company's financial statements are presented in New Taiwan Dollars, the functional currency of the Company. All financial information presented in New Taiwan Dollars is expressed in thousands of New Taiwan Dollars, unless otherwise specified. Foreign exchange differences arising from the conversion of currency are recognized in current period profit or loss.

(4) Cash and cash equivalents

Cash and cash equivalents include cash on hand, checks for clearing, and due from banks, but cash that is either restricted to be used only for specified purposes or by regulation or contracts is excluded. According to the statements of cash flow prepared under the definition of IAS 7, cash and cash equivalents include highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Such investments are normally those with less than three months' maturity from the date of acquisition, due from the Central Bank and call loans to banks, and securities and bonds purchased under resell agreements.

STANDARD CHARTERED BANK (TAIWAN) LIMITED
Notes to the Financial Statements (Continued)
(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

(5) Financial instruments

(a) Financial assets

Financial assets held by the Company are recorded on the trading date.

Financial assets are recognized when the Company becomes the party of a financial instrument contract. 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).

The Company shall reclassify all affected financial assets only when it changes its business model for managing its financial assets.

i. Financial assets measured at amortized cost

A. Debt instrument investments measured at amortized cost

When a financial asset meets both of the following conditions and is not designated as at FVTPL, it is measured at amortized cost;

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

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment 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.

B. Securities and bonds under repurchase/resell agreements

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

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

C. Loans and receivables

Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Credit maturing less than one year is called short-term credit; credit maturing more than one year but less than seven years is called medium-term credit; and credit maturing more than seven years is called long-term credit. Loans with collateral, pledged assets, qualified guarantees and other legally guaranteed objects to secure credit are secured loans.

Loans are recorded initially at principal and reported at their outstanding balances after netting with any provisions for doubtful accounts. In accordance with the Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans approved by FSC, an allowance for doubtful accounts is determined by evaluating the collectability of loans and days past due of receivables (including non-performing loans and interest receivable). Any non-performing loans or non-accrual loans shall be written off after subtracting the estimated recoverable portion.

However, when requested by the competent authority or any financial examination agency (organization), loans must be immediately written off, and a report must be made to the subsequent board meeting. Collections after written off shall be reversed from the allowance for bad debt expense.

Principal or interest overdue over 3 months is categorized as overdue accounts. If principal or interest of any outstanding loan is overdue for over 6 months, both the principal and accrued interest are reclassified as non-performing loan. Accrued interest on a non-performing loan will only be calculated and booked into memo accounts.

Loans and receivables should be evaluated at every reporting date whether or not the credit risks have increased significantly after initial recognition. One estimate is by comparing the default risk at reporting date and initial recognition date, and considering the reasonableness and verifiable information of the increase in credit risk since initial recognition as the estimate basis for default risk and expected loss rate to calculate the expected credit loss. Another estimate follows Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans issued by FSC and other related regulations. Final provision will be based on the higher of the two estimates.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

Reserves for guarantees and financing commitments are appropriately provided, based on the possibilities of bad debts arising from off balance sheet loan commitments and financial guarantee contracts.

ii. Fair value through other comprehensive income (FVOCI)

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

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

Debt instrument investments at fair value through other comprehensive income should be valued at fair value on the reporting date, and the changes in value shall be listed in other comprehensive income as adjustment items. It should also use the effective rate to amortize the discount premium and calculate the interest receivable on an accrual basis, as well as recognize the credit impairment loss. If the impairment loss related to the events after impairment recognition is reduced in the subsequent period, it is reversed and recognized as profit or loss in the current period. The reversal is limited by the fact that other comprehensive income recognized as impairment adjustment items cannot be negative. Prior to derecognition, the changes in the remaining book values of financial assets, other than foreign currency related financial asset exchange losses, interest income calculated according to effective interest rate, and impairment losses recognized in income, should be recognized in other comprehensive income and accumulated under equity in "Unrealized profit or loss on financial assets at fair value through other comprehensive income." Upon derecognition, the accumulated profit or loss under equity should be reclassified as profit or loss in the current period.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. A financial asset measured at FVOCI is initially recognized at fair value, plus any directly attributable transaction costs. These assets are subsequently measured at fair value. Dividends deriving from equity investments are recognized as income in profit or loss, and other net gains and losses of financial assets measured at FVOCI are recognized in OCI. On derecognition, gains and losses accumulated in OCI of equity investments are reclassified to retained earnings.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

iii. 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 derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value, which take into account any dividend and interest income, are recognized in profit or loss.

iv. Impairment of financial assets

The Company measures loss allowances for expected credit losses on financial assets measured at amortized cost (including cash and cash equivalents, due from the Central Bank and call loan to banks, securities and bonds purchased under resell agreements, receivables, discounts and loans, financial assets measured at amortized cost and other assets), debt investments measured at FVOCI, and contract assets.

The Company takes into consideration the reasonable information supported by evidence that can be obtained without excessive cost or input, which includes qualitative and quantitative information, an analysis based on the Company's past experience, credit evaluation, and prospective information, when determining whether there is a significant increase in the credit risk of financial assets since initial recognition. If a financial asset or portfolio of financial assets does not experience a significant increase in credit risk since initial recognition, the loss allowances are measured at 12-month ECL; and such assets are classified as Stage 1 assets. However, if a financial asset, or portfolio of financial assets, experiences a significant increase in credit risk since initial recognition, an ECL allowance should be recognized for default events that may occur over the lifetime of the asset; and such assets are classified as Stage 2 assets.

Lifetime ECLs 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 Company is exposed to credit risk.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

ECLs are a probability-weighted estimate of credit losses during the expected lifetime of financial assets. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets at amortized cost and debt instrument investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt instrument investments at FVOCI, the loss allowance is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Please refer to note 6(37) for information on financial risks for the Company's judgment on whether the credit risk has significantly increased after initial recognition and prospective adjustments.

v. Derecognition of financial assets

Financial assets are derecognized when the contractual rights to the cash flows from the assets expire, or when the Company transfers substantially all the risks and rewards of ownership of the financial assets.

If majority of the risks and rewards are not kept nor transferred, while the Company still possess the ownership of the financial assets, then the Company shall continuously recognize it as assets according to the extent of its own involvement.

vi. Reclassification of financial assets

Only when the business model of financial assets management is changed does the Company reclassifies the affected financial assets according to regulations.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

(b) Financial liabilities

The financial liabilities held by the Company include financial liabilities measured at fair value through profit or loss and hedge derivatives.

i. Financial liabilities at fair value through profit or loss

A financial liability is held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. A derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument, is classified as instrument held for trading as well. Financial liabilities held for trading include obligations to deliver financial assets borrowed by a short seller.

ii. Financial liabilities measured at amortized cost

All financial liabilities not classified as FVTPL described as above, derivative financial liabilities for hedging, loan commitment, financial guarantee contract on below-market rate of interest are measured at amortized cost.

iii. Financial debentures

The issuance of a debt instrument is recorded at its fair value using a valuation technique. If the issuing price of such debt instrument is different from its face value, the difference is amortized as interest income or expense by the interest method over the period from the acquisition date to the maturity date.

The difference between the payment and carrying amount of a debt instrument at the early extinguishment date should be recognized as extraordinary losses or gains in the current period if it is material.

iv. Derecognition of a financial liability

The Company shall remove a financial liability from its balance sheets when, and only when, it is extinguished.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

v. Mutual offset of financial assets and liabilities

Financial assets and financial liabilities shall be offset only when the Company currently has legally enforceable rights to set off the recognized amounts and intends either to settle on a net basis, or to realize the assets and settle the liabilities at the same time.

(c) Derivatives and hedging accounting

The Company uses derivative instruments to hedge its foreign currency risks, interest rate risks and transaction prices risks. A derivative is classified in the balance sheet as financial assets or liabilities at fair value through profit or loss except for derivatives that are designated as and effective hedging instruments which are classified as financial assets or liabilities for hedging.

Derivative instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The changes in fair value of derivatives are taken directly to profit or loss, except for the effective portion of hedges, which is recognized in either profit or loss or equity according to types of hedges used.

For the purpose of hedging, there are two types:

- i. Fair value hedge is a hedge of the exposure to changes in fair value of a recognized asset or liability or an unrecognized firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect profit or loss.
- ii. Cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit or loss.

In conformity with all the conditions for applying hedge accounting, the related accounting treatments are as follows:

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

i. Fair value hedge

Changes in the fair value of derivatives that are designated and qualified as fair value hedging instruments against the exposure to changes in fair value of a recognized asset or liability are recognized through profit or loss in the current period.

Any adjustments to the carrying amount of a hedged financial instrument for which the effective interest method is used shall be amortized to profit or loss. Amortization may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. The adjustment is based on a recalculated effective interest rate at the date amortization begins. The adjustment shall be amortized fully by maturity of the financial instrument. When hedged items derecognized, unamortized fair value is recognized in profit or loss.

When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in profit or loss.

ii. Cash flow hedge

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge shall be recognized in other comprehensive income; and the ineffective portion of the gain or loss on the hedging instrument shall be recognized in profit or loss.

When profits or losses occurred from transaction of hedged items, gains and losses that were recognized in other comprehensive income will be reclassified to profits or losses. If the hedged item is a non-financial asset or non-financial liability, the amount recognized in other comprehensive income shall adjust to the carrying amount of the hedged item.

When a forecast transaction or firm commitment are not expected to occur, the previous cumulative other comprehensive income will be recognized in profit or losses. When the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument that has been recognized in other comprehensive income from the period when the hedge was effective shall remain separately in equity until the forecast transaction occurs.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

(6) Non-financial asset impairment

In terms of IAS 36, the Company, at each report date, the recoverable amount of an asset is estimated and compared with the carrying amount whenever there is an indication that the non-financial asset may be impaired. An impairment loss is recognized when the recoverable amount is less than the carrying 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.

(7) Property and equipment

Property and equipment is stated at cost or measured at cost plus any revaluation increments (land revaluation based on the announcement of the adjustment in current land value), net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located. Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	5-50 years
Office equipment	3-6 years
Leasehold improvements	Not exceed the shorter of 10 years or lease term
Other equipment	3-10 years

An item of property and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year and adjusted prospectively, if appropriate.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

(8) Intangible assets

(a) Computer software

Computer software system expenses, which are recorded on the basis of the actual cost of acquisition, are amortized using a straight-line method. Its amortization method, useful life and residual value are referred to the regulation of properties and equipment. The Company use cost model to proceed subsequently measurement.

(b) Goodwill

Goodwill under the purchasing method is the portion in excess of the identifiable net assets measured using fair value. Goodwill is carried at cost less accumulated impairment.

Goodwill relating to cash-generating units is tested for impairment periodically each year. An impairment loss is recognized when the recoverable amount is less than the carrying amount. Impairment losses cannot be reversed once an impairment loss has been recognized.

(c) Research and development

Research costs are expensed as incurred. Development expenditures, on an individual project, are recognized as an intangible asset when the Company can demonstrate:

- i. The technical feasibility of completing the intangible asset so that it will be available for use or sale
- ii. Its intention to complete and its ability to use or sell the asset
- iii. How the asset will generate future economic benefits
- iv. The availability of resources to complete the asset
- v. The ability to measure reliably the expenditure during development. The amount of the expenditure exceeds US\$100 thousand.

Otherwise, they will be recognized in profit or loss as incurred.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. During the period of development, the asset is tested for impairment annually. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit.

STANDARD CHARTERED BANK (TAIWAN) LIMITED
Notes to the Financial Statements (Continued)
(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

(9) Leases

The Company assesses whether the 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. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, has both of the following:

- (a) the right to obtain substantially all of the economic benefits from use of the identified asset; and
- (b) the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximising the use of observable information.

Company as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, or leases without the right to direct the use of the identified asset, the Company recognizes right-of-use asset and lease liability for all leases which the Company is the lessee of those lease contracts.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if the rate can be readily determined.

After the commencement date, the Company measures the lease liability on an amortized cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

- (a) the amount of the initial measurement of the lease liability;
- (b) any lease payments made at or before the commencement date;
- (c) any initial direct costs incurred by the lessee.

For subsequent measurement of the right-of-use asset, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use applying a cost model.

The Company depreciates the right-of-use asset 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.

The Company applies IAS 36, *Impairment of Assets*, to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Company accounted for as short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements of comprehensive income.

For short-term leases or leases of low-value assets, the Company elects to recognize the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

Company as a lessor

At inception of a contract, the Company classifies each of its leases as an operating lease.

For a contract that contains lease components and non-lease components, the Company allocates the consideration in the contract applying IFRS 15.

The Company recognizes lease payments from operating leases as rental income on a straight-line basis.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

(10) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(11) Revenue and expense recognition

Other than those classified as financial assets at fair value through profit or loss, all the interests and expenses resulting from the interest accrual financial instruments are required to be calculated using the effective interest rate method according to the related policies, and recognized in the statements of comprehensive income under “Interest income” and “Income expense”.

Service fee income and expenses can only be recognized after the completion of loans and other services; if the service fee is earned from performing major projects, it should only be recognized after completion of the major projects. For example, service fee resulting from syndication loans, the service fee income and expenses are related to subsequent loans, it should amortize according to the materiality within the service period or included in the calculation of the effective rates of loans and receivables.

(12) Employee benefits

- (a) Short-term employee benefits (including employee bonus, remuneration of directors and supervisors): The Company charges the short-term and non-discounted benefits to be paid in the near future to current expenses in the periods during which services are rendered by employees.
- (b) Post-employment benefits: The Company pension plans comprise defined contribution plans and defined benefit plans.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

- i. A defined contribution plan is a post-employment benefit plan under which the Company 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 benefits 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. Contributions to a defined contribution plan that is due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.
- ii. A defined benefit plan is a post-employment benefit plan under which benefit is paid to an employee on the basis of their ages, service periods and compensated salaries at the date of retirement. The Company recognizes actuarial gains and losses which are incurred by the change of actual experience and actuarial assumption in other comprehensive income, and recognize pension asset or liability in balance sheets in which asset or liability is the amount of actuarial present value of defined benefit obligation deducting fair value of plan assets. The calculation of defined benefit obligation is performed annually by an actuary using the projected unit credit method. The actuarial present value of defined benefit obligation is calculated by discounting future cash flow at the yield rate on AA credit rated bonds that have maturity dates approximating the terms of the obligation and that are denominated in the same currency in which the benefits are expected to be paid. Pension cost for the period is calculated on a year-to-date basis by using actuarially determined pension cost rate at the end of the previous fiscal year. In terms of the amendment of Article 12 of Regulations Governing the Preparation of Financial Reports by Public Banks according to Jin-Guan-Yin-(Fa)-Zi No. 10310006010 as announced by FSC on October 21, 2014, the Company elected to recognize the remeasurements of defined benefit plans in retained earnings, and will not reclassify amounts into profit or loss in the subsequent period.

(13) Share-based compensation

IFRS 2, *Share-based payment*, requires that all share-based payments are accounted for using a fair value method and the fair value of the employee services received in exchange for the grant of the options is recognized as an expense. For deferred share awards that are part of the annual performance bonus, the expense is recognized over the period from the start of the performance period to the vesting date.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

For equity-settled awards, the total amount to be expensed over the vesting period is determined by reference to the fair value of the options at the date of grant, which excludes the impact of any non-market vesting conditions (for example, profitability and growth targets). The fair value of equity instruments granted is based on market prices, if available, at the date of grant. In the absence of market prices, the fair value of the instruments is estimated using an appropriate valuation technique, such as a binomial option pricing model. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each reporting date, the Company revises its estimates of the number of options that are expected to vest. It recognizes the impact of the revision of original estimates, if any, in the statements of comprehensive income, and a corresponding adjustment to equity over the remaining vesting period. Forfeitures prior to vesting attributable to factors other than the failure to satisfy a non-market vesting condition are treated as a cancellation and the remaining unamortized charge is debited to the statements of comprehensive income at the time of cancellation. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Cash-settled awards are revalued at each reporting date and all unpaid amounts are recognized as liabilities, with any changes in fair value charged or credited to staff costs in the statements of comprehensive income until the awards are exercised. Where forfeitures occur prior to vesting that are attributable to factors other than a failure to satisfy market-based performance conditions, the cumulative charge incurred up to the date of forfeiture is credited to the statements of comprehensive income.

(14) Income tax

Income tax expense include both current taxes and deferred taxes. Except for expenses recognized directly in equity or other comprehensive income, all current and deferred taxes shall be recognized in profits or losses. Current taxes include tax payables and tax deduction receivables on taxable gains (losses) for the year calculated using 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 amount of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the assets are realized or the liabilities are settled, based on statutory tax rate on the reporting date or the actual legislative tax rate.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

A deferred tax asset should be recognized for the carryforward of 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 the unused tax losses, unused tax credits, and deductible temporary differences can be utilized. Such unused tax losses, unused tax credits, and deductible temporary differences shall also be reassessed on each reporting date and adjusted based on the probability that future taxable profit will be available for use.

In accordance with the Income Tax Act, a surtax of 5 percent on undistributed earnings is recognized as current income tax expense in the year of the resolution of earnings distribution proposal by its board of directors on behalf of the shareholders' meeting.

The basic income tax calculation of the Company is based on the Income Basic Tax Act. The calculation of the Company's basic income is the sum of the taxable income as defined in accordance with the Income Tax Act and the provisions or tax benefits that are included in the Income Tax Act and other laws. The amount of basic tax of the Company is the amount of basic income as calculated in accordance with the preceding rules, and then multiplied by the tax rate prescribed by the Executive Yuan. The greater of income basic tax expense or income tax expense is the current tax expense actually liable by the Company.

(15) Earnings per share of common stock

Earnings per share ("EPS") are computed by dividing the amount of net income (or loss) attributable to common stock outstanding for the period by the weighted-average number of issued common shares outstanding during the period. If the number of common shares or potential common shares outstanding increases as a result of capitalization of retained earnings, additional paid-in capital, or decreases as a result of a reverse capitalization due to losses, the calculation of basic EPS and diluted EPS for all periods presented is adjusted retrospectively. If these changes occur after the report date but before the issuance date of the financial statements, such EPS calculations are also adjusted retrospectively. When calculating diluted EPS, the net income (or loss) attributable to common shareholders and the weighted-average number of shares outstanding shall be adjusted for the effects of all dilutive potential common shares.

STANDARD CHARTERED BANK (TAIWAN) LIMITED
Notes to the Financial Statements (Continued)
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(16) Change in accounting policy

From January 1, 2023, in response to the changing of trading system for debt securities of the Standard Chartered Group, to more properly reflect the economic substance while calculating the cost, gain and loss of investment, in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks, the company had been approved the below change of accounting policy by Financial Supervisory Commission of the Republic of China through Jin-Guan-Yin-(Wai)-Zi No. 1110233582 on March 13, 2023. The inventory costing method to the investment on debt securities was changed from Weighted Average Cost to First In First Out method beginning on January 1, 2023. However, due to the limitation and constraint of current transaction system design for debt securities, it is impractical to determine the effects of above mentioned change for the period ended December 31, 2022 and the cumulative effect of the change. Retrospective application is also impractical.

5. Significant accounting judgments, estimates and assumptions

When preparing financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms and the IFRSs endorsed by FSC, the Company is required to make judgments, estimates, and assumptions on valuation of below assets that may causes differences between actual results and estimates. Subsequently, it affects the adoption of accounting policies, reported amounts of assets, liabilities, revenues, and expenses.

The Company keeps testing applicable judgements, estimates and assumptions. Adjustment will be done due to any impacts of changes in the uncertainty mentioned above; and changes will be recognized in the period when they applied.

Below shows the management judgments, estimates, and assumptions that contain risk, and may cause adjustments in the current and future accounting period due to uncertainty:

(1) Impairment evaluation of loans and receivables

The Company's financial asset impairment losses are measured using the 12-month and lifetime expected credit loss value based on whether the credit risks after initial recognition has significant increase or not. To measure the 12-month and lifetime expected credit losses, the Company evaluates the default rate of the financial assets, issuer, or the counterparty, multiplies it with the loss rate given default and the default exposure, and discounts the impact of time value of money. The Company's assumption is based on historical experiences, current market conditions and prospective information. The impairment valuation inputs are then determined subsequently. Please refer to note 6(37) for detailed information of primary assumption and inputs.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

(2) Valuation of financial instruments

Fair value of financial instruments is determined using valuation techniques when there is no active market or quoted price. Under this circumstance, fair value is assessed through relevant observable information or model. If there are no observable market parameters, the fair value of financial instruments can be evaluated based on appropriate assumptions. When valuation technique is used to determine fair value, all models shall be calibrated to ensure that all outputs reflect the actual data and the market price. The valuation techniques are adopted, as much as possible, from observable data. However, for credit risk (risk between itself and counterparty), the management shall estimate volatility and correlation. The changes of the valuation techniques will influence fair value of financial instruments. Please refer to note 6(37) for further disclosure of valuation of financial instruments.

(3) Goodwill impairment

Please refer to note 4 for the assessment of goodwill impairment which requires the Company to make subjective judgments to identify cash generating units and estimate the recoverable amount of relevant cash generating units. Please refer to note 6(12) for further disclosure of goodwill.

6. Contents of significant accounts

(1) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand	\$3,303,898	\$2,573,564
Checks for clearing	743	1,069,680
Deposits with other banks	7,694,948	5,178,472
Deposits with other banks-affiliates	6,274,230	7,242,043
Subtotal	17,273,819	16,063,759
Less: allowance for bad debts	6,857	6,367
Total	<u>\$17,266,962</u>	<u>\$16,057,392</u>

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

Statements of cash flows were prepared under the definition of IAS 7, cash and cash equivalents were consolidated by part of components of the items listed as follows:

	December 31, 2024	December 31, 2023
Cash and cash equivalents reported in the balance sheets	\$17,266,962	\$16,057,392
Due from the Central Bank and call loans to banks qualifying for cash and cash equivalents under the definition of IAS 7	91,387,297	108,458,277
Securities and bonds purchased under resell agreements qualifying for cash and cash equivalents under the definition of IAS 7	34,049,761	21,390,034
Cash and cash equivalents reported in the statements of cash flows	<u>\$142,704,020</u>	<u>\$145,905,703</u>

(2) Due from the Central Bank and call loans to banks

	December 31, 2024	December 31, 2023
Required reserve-checking account	\$5,170,045	\$5,855,877
Required reserve-demand account	13,329,697	14,687,836
Required reserve-foreign currency	278,820	261,339
Required reserve-settlement account	3,000,762	4,000,844
Call loans to banks	52,855,550	68,018,294
Call loans to banks-affiliates	64,993,340	65,006,416
Interbank loan receivables, trade finance	40,235,702	301,729
Subtotal	179,863,916	158,132,335
Less: allowance for bad debts-call loans to banks	297	770
allowance for bad debts-interbank loan receivables, trade finance	2,049	32
Total	<u>\$179,861,570</u>	<u>\$158,131,533</u>

Pursuant to the Banking Law, the “required reserves” are deposited with the Central Bank. These reserves are for deposits and for interbank settlements.

“Required reserve” is calculated at prescribed rates on a monthly basis on the average balances of various deposit accounts and no interest is accrued on the checking account and the foreign currency account. Balances can be withdrawn on demand. Demand account accrues interests, other than the monthly adjustments to the account, no withdrawal is allowed.

The required reserve-settlement account is placed with the Central Bank for interbank settlement.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

As of December 31, 2024, the Company's call loans to banks mentioned above have adopted cross currency swap of cash flow hedge in order to reduce the impact of cash flows that were affected by interest rate and foreign exchange rate fluctuation.

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

The financial assets at fair value through profit or loss of the Company were as follows:

	December 31, 2024	December 31, 2023
Financial assets mandatorily measured at fair value through profit or loss:		
Government bonds	\$6,496,053	\$4,689,853
Corporate bonds	2,601,479	3,507,823
Financial bonds	-	201,248
Commercial paper	3,594,620	-
Subtotal	12,692,152	8,398,924
Derivative financial assets:		
Interest rate swap	29,641,035	15,495,218
Interest rate option	1,992,440	1,034,773
Spot/forward/swap	15,258,380	17,553,847
Cross currency swap	1,267,479	1,233,674
Foreign exchange option	210,118	73,236
Commodity swap	12,618	14,112
Commodity option	272	3,465
Subtotal	48,382,342	35,408,325
Total	\$61,074,494	\$43,807,249

The financial liabilities at fair value through profit or loss of the Company were as follows:

	December 31, 2024	December 31, 2023
Derivative financial liabilities:		
Interest rate swap	\$30,747,199	\$15,786,058
Interest rate option	102,690	87,985
Spot/forward/swap	13,813,035	21,850,499
Cross currency swap	1,270,757	1,501,693
Foreign exchange option	209,917	72,973
Commodity swap	12,614	14,139
Commodity option	270	3,475
Total	\$46,156,482	\$39,316,822

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Notes to the Financial Statements (Continued)
(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

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

	December 31, 2024	December 31, 2023
Debt instruments:		
Negotiable certificates of deposit	\$47,605,343	\$65,952,546
Treasury Bills	-	2,471,246
Government bonds	52,169,992	56,312,757
Subtotal	<u>99,775,335</u>	<u>124,736,549</u>
Equity instruments:		
Non-listed stock	<u>1,023,909</u>	<u>1,087,024</u>
Total	<u>\$100,799,244</u>	<u>\$125,823,573</u>
The revaluation adjustment of hedged items included in the total calculation above	<u>\$2,667</u>	<u>\$(23,133)</u>

Please refer to note 6(37) for credit risk and market risk information.

As of December 31, 2024 and 2023, the Company's financial assets at fair value through other comprehensive income mentioned above have adopted interest rate swaps as instruments for fair value hedging or cross currency swap of cash flow hedge in order to reduce the impacts of fluctuations in interest rates or foreign exchange rate on the fair values or cash flows.

For the years ended December 31, 2024 and 2023, dividend income of the above equity instrument investments were \$19,507 thousand and \$18,878 thousand, respectively, recorded under realized gains on financial assets at fair value through other comprehensive income.

The above equity instrument investments, TSC Bio Venture Capital Corp., was completed liquidation in May 2024. The liquidation realized gain on investment of \$2,547 thousand was transferred from other equity to retained earnings.

As of December 31, 2024 and 2023, the Company's allowance for impairments of the above financial assets at fair value through other comprehensive income were \$4,147 thousand and \$3,963 thousand, respectively.

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Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

Changes in the allowance for impairments of the above debt instrument investments were as follows:

	2024				
	12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses	Impairment losses according to IFRS 9 (total)
			(non-purchased or originated credit impaired financial assets)	(purchased or originated credit impaired financial assets)	
Beginning balance	\$3,963	\$-	\$-	\$-	\$3,963
Changes due to financial instrument recognition:					
Financial assets derecognized during the period	(3,225)	-	-	-	(3,225)
New financial assets originated or purchased	3,407	-	-	-	3,407
Foreign currency exchange and other changes	2	-	-	-	2
Ending Balance	<u>\$4,147</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$4,147</u>
	2023				
	12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses	Impairment losses according to IFRS 9 (total)
			(non-purchased or originated credit impaired financial assets)	(purchased or originated credit impaired financial assets)	
Beginning balance	\$4,537	\$-	\$-	\$-	\$4,537
Changes due to financial instrument recognition:					
Financial assets derecognized during the period	(4,449)	-	-	-	(4,449)
New financial assets originated or purchased	3,875	-	-	-	3,875
Ending Balance	<u>\$3,963</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$3,963</u>

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Notes to the Financial Statements (Continued)
(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

Changes in the book value of the above debt instrument investments were as follow:

	2024				
	12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses (non-purchased or originated credit impaired financial assets)	Lifetime expected credit losses (purchased or originated credit impaired financial assets)	Impairment losses according to IFRS 9 (total)
Beginning balance	\$124,736,549	\$-	\$-	\$-	\$124,736,549
Changes due to financial instrument recognition:					
Financial assets derecognized during the period	(106,459,690)	-	-	-	(106,459,690)
New financial assets originated or purchased	81,495,533	-	-	-	81,495,533
Foreign currency exchange and other changes	2,943	-	-	-	2,943
Ending Balance	<u>\$99,775,335</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$99,775,335</u>
	2023				
	12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses (non-purchased or originated credit impaired financial assets)	Lifetime expected credit losses (purchased or originated credit impaired financial assets)	Impairment losses according to IFRS 9 (total)
Beginning balance	\$144,262,923	\$-	\$-	\$-	\$144,262,923
Changes due to financial instrument recognition:					
Financial assets derecognized during the period	(121,779,930)	-	-	-	(121,779,930)
New financial assets originated or purchased	102,251,703	-	-	-	102,251,703
Foreign currency exchange and other changes	1,853	-	-	-	1,853
Ending Balance	<u>\$124,736,549</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$124,736,549</u>

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

(5) Debt instrument investments measured at amortized cost

	December 31, 2024	December 31, 2023
Negotiable certificates of deposit	\$13,298,982	\$5,359,641
Government bonds	2,701,363	4,718,441
Total	<u>\$16,000,345</u>	<u>\$10,078,082</u>

As of December 31, 2024 and 2023, allowance for impairments of the above debt instrument investments were \$1,171 thousand and \$628 thousand, respectively.

Changes in the allowance for impairments of the above debt instrument investments were as follows:

	2024				
	12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses (non-purchased or originated credit impaired financial assets)	Lifetime expected credit losses (purchased or originated credit impaired financial assets)	Impairment losses according to IFRS 9 (total)
Beginning balance	\$628	\$-	\$-	\$-	\$628
Changes due to financial instrument recognition:					
Financial assets derecognized during the period	(278)	-	-	-	(278)
New financial assets originated or purchased	972	-	-	-	972
Foreign currency exchange and other changes	(151)	-	-	-	(151)
Ending Balance	<u>\$1,171</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$1,171</u>

	2023				
	12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses (non-purchased or originated credit impaired financial assets)	Lifetime expected credit losses (purchased or originated credit impaired financial assets)	Impairment losses according to IFRS 9 (total)
Beginning balance	\$1,590	\$-	\$-	\$-	\$1,590
Changes due to financial instrument recognition:					
Financial assets derecognized during the period	(1,103)	-	-	-	(1,103)
New financial assets originated or purchased	328	-	-	-	328
Foreign currency exchange and other changes	(187)	-	-	-	(187)
Ending Balance	<u>\$628</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$628</u>

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

(6) Financial assets for hedging

Financial assets for hedging were as follows:

	December 31, 2024	December 31, 2023
Fair value hedge:		
Interest rate swap	\$464	\$46,382
Cash flow hedge:		
Interest rate swap	7,732	6,231
Cross currency swap	3,861,646	189,308
Total	<u>\$3,869,842</u>	<u>\$241,921</u>

Financial liabilities for hedging were as follows:

	December 31, 2024	December 31, 2023
Fair value hedge:		
Interest rate swap	\$1,040	\$2,654
Cash flow hedge:		
Interest rate swap	467,367	60,450
Cross currency swap	-	507,163
Total	<u>\$468,407</u>	<u>\$570,267</u>

(a) Fair value hedge

A fair value hedge is the hedging of the hedged items exposure to change in fair value of recognized assets or liabilities that are attributable to particular hedged risks that could affect profit or loss. As of December 31, 2024 and 2023, mark-to-market adjustments of hedged items and the corresponding hedging instruments accounted as fair value hedge were as follows:

Hedged items	Hedging instruments
Underlying instruments	Contract type
December 31, 2024	December 31, 2024
Financial assets at fair value through other comprehensive income:	
Government bonds-revaluation adjustment	Interest rate swap
\$2,667	\$(576)

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

Hedged items		Hedging instruments	
Underlying instruments	December 31, 2023	Contract type	December 31, 2023
Financial assets at fair value through other comprehensive income:			
Government bonds-revaluation adjustment	<u>\$(23,133)</u>	Interest rate swap	<u>\$43,728</u>

For the years ended December 31, 2024 and 2023, net (losses) gains on the hedging financial instruments listed above amounted to \$(25,801) thousand and \$96,725 thousand, respectively. For the years ended December 31, 2024 and 2023, net gains from the hedged risk of the hedged items amounted to \$19,165 thousand and \$13,338 thousand, respectively.

(b) Cash flow hedge

The Company currently holds floating rate loans, which are exposed to cash flow risk arising from the fluctuation of interest rate.

The Company currently holds foreign currency call loans to banks, foreign currency government bonds and foreign currency time deposits with fixed rate, which are exposed to cash flow risk arising from the fluctuation of interest rate and foreign exchange rate.

Interest rate swap and cross currency swap are designated as hedging instruments to reduce the cash flow risk resulting from the changes in interest rate and foreign exchange rate.

Hedged items	Financial instruments designated as hedging instruments	Fair value	
		December 31, 2024	December 31, 2023
Discounts and loans	Interest rate swap	\$(459,635)	\$(54,219)
Call loans to banks, government bonds and deposits and remittances	Cross currency swap	3,861,646	(317,855)
Total		<u>\$3,402,011</u>	<u>\$(372,074)</u>

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

(7) Securities and bonds purchased under resell agreements

	December 31, 2024	December 31, 2023
Securities purchased under resell agreements	\$34,049,761	\$21,390,034
Face value of debt instruments	\$36,869,678	\$23,174,135
Interest rate	1.49%~4.35%	1.15%~5.34%
Last settlement date	2025.3.14	2024.1.29
Resell price	\$34,113,104	\$21,416,152

As of December 31, 2024 and 2023, allowance for impairments of the above securities and bonds purchased under resell agreements were \$17 thousand and \$55 thousand, respectively.

Changes in the allowance for bad debts of securities and bonds purchased under resell agreements and instruments were as follows:

2024					
	12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses (non-purchased or originated credit impaired financial assets)	Lifetime expected credit losses (purchased or originated credit impaired financial assets)	Impairment losses according to IFRS 9 (total)
Beginning balance	\$55	\$-	\$-	\$-	\$55
Changes due to financial instrument recognition:					
Financial assets derecognized during the period	(55)	-	-	-	(55)
New financial assets originated or purchased	17	-	-	-	17
Ending Balance	\$17	\$-	\$-	\$-	\$17
2023					
	12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses (non-purchased or originated credit impaired financial assets)	Lifetime expected credit losses (purchased or originated credit impaired financial assets)	Impairment losses according to IFRS 9 (total)
Beginning balance	\$47	\$-	\$-	\$-	\$47
Changes due to financial instrument recognition:					
Financial assets derecognized during the period	(47)	-	-	-	(47)
New financial assets originated or purchased	55	-	-	-	55
Ending Balance	\$55	\$-	\$-	\$-	\$55

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Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

(8) Receivables-net

	December 31, 2024	December 31, 2023
Accounts receivable factoring	\$24,891,322	\$24,009,114
Credit cards accounts receivable	3,345,640	3,380,301
Accounts receivable	1,030,567	760,245
Interest receivable	2,194,278	1,685,704
Acceptances receivable	58,878	5,863
Accounts receivable-related parties	1,318,769	1,583,537
Unsettled bonds receivable	1,103,038	-
Other	229,921	89,247
Subtotal	34,172,413	31,514,011
Less: allowance for bad debts	429,920	353,176
Total	<u>\$33,742,493</u>	<u>\$31,160,835</u>

Please refer to note 6(37) for relating information on credit risk and market risk.

Changes in the allowance for bad debts of receivables listed above were as follows:

	2024							
	12-month expected credit losses	Lifetime expected credit losses (group evaluation)	Lifetime expected credit losses (individual evaluation)	Lifetime losses (non-purchased or originated credit impaired financial assets)	Lifetime losses (purchased or originated credit impaired financial assets)	Impairment losses according to IFRS 9 (total)	Differences in impairment provisions according to “Regulations of the Procedures for Banking Institutions to Evaluate Assets and Deal with Past-Due/Non-Performing Loans”	Total
Beginning balance	\$29,603	\$2,271	\$-	\$73,679	\$-	\$105,553	\$247,623	\$353,176
Changes due to financial instrument recognition:								
Transferred to lifetime expected credit losses	(49)	49	-	-	-	-	-	-
Transferred to credit impaired financial asset	(40)	-	-	40	-	-	-	-
Transferred to 12-month expected credit losses	2	(2)	-	-	-	-	-	-
Financial assets derecognized during the period	(10,023)	(2,040)	-	(9,267)	-	(21,330)	-	(21,330)
New financial assets originated or purchased	5,791	1,780	-	129,459	-	137,030	-	137,030
Differences in impairment provisions according to “Regulations of the Procedures for Banking Institutions to Evaluate Assets and Deal with Past-Due/Non-Performing Loans”	-	-	-	-	-	-	106,893	106,893
Bad-Debt Write offs	3	(1,760)	-	(132,274)	-	(134,031)	-	(134,031)
Foreign currency exchange and other changes	(8,450)	(225)	-	(3,143)	-	(11,818)	-	(11,818)
Ending balance	<u>\$16,837</u>	<u>\$73</u>	<u>\$-</u>	<u>\$58,494</u>	<u>\$-</u>	<u>\$75,404</u>	<u>\$354,516</u>	<u>\$429,920</u>

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Notes to the Financial Statements (Continued)
(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

	2023							
				Lifetime expected credit losses	Lifetime expected credit losses		Differences in impairment provisions according to “Regulations of the Procedures for Banking Institutions to Evaluate Assets and Deal with Past-Due/Non-Performing Loans”	Total
	12-month expected credit losses	Lifetime expected credit losses (group evaluation)	Lifetime expected credit losses (individual evaluation)	(non-purchased or originated credit impaired financial assets)	(purchased or originated credit impaired financial assets)	Impairment losses according to IFRS 9 (total)		
Beginning balance	\$41,091	\$9,273	\$-	\$90,808	\$-	\$141,172	\$132,377	\$273,549
Changes due to financial instrument recognition:								
Transferred to lifetime expected credit losses	(103)	103	-	-	-	-	-	-
Transferred to credit impaired financial asset	(400)	(15)	-	415	-	-	-	-
Transferred to 12-month expected credit losses	28	(28)	-	-	-	-	-	-
Financial assets derecognized during the period	(17,747)	(8,576)	-	(10,672)	-	(36,995)	-	(36,995)
New financial assets originated or purchased	11,988	1,358	-	89,443	-	102,789	-	102,789
Differences in impairment provisions according to “Regulations of the Procedures for Banking Institutions to Evaluate Assets and Deal with Past-Due/Non-Performing Loans”	-	-	-	-	-	-	115,246	115,246
Bad-Debt Write offs	(75)	(1,032)	-	(91,041)	-	(92,148)	-	(92,148)
Foreign currency exchange and other changes	(5,179)	1,188	-	(5,274)	-	(9,265)	-	(9,265)
Ending balance	\$29,603	\$2,271	\$-	\$73,679	\$-	\$105,553	\$247,623	\$353,176

Changes in the book value of receivables were as follows:

	2024					
		Lifetime expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses (non-purchased or originated credit impaired financial assets)	Lifetime expected credit losses (purchased or originated credit impaired financial assets)	Total
Beginning balance	\$30,970,231	\$298,101	\$-	\$245,679	\$-	\$31,514,011
Changes due to financial instrument recognition:						
Transferred to lifetime expected credit losses	(12,930)	12,989	-	(59)	-	-
Transferred to credit impaired financial asset	(37,381)	(21,682)	-	59,063	-	-
Transferred to 12-month expected credit losses	105,743	(105,684)	-	(59)	-	-
Financial assets derecognized during the period	(9,010,192)	(18,580)	-	(55,388)	-	(9,084,160)
New financial assets originated or purchased	9,284,236	11,257	-	35,949	-	9,331,442
Bad-Debt Write offs	3	(1,760)	-	(132,274)	-	(134,031)
Foreign currency exchange and other changes	2,467,518	17,257	-	60,376	-	2,545,151
Ending balance	\$33,767,228	\$191,898	\$-	\$213,287	\$-	\$34,172,413

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Notes to the Financial Statements (Continued)
(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

	2023					Total
	12-month expected credit losses	Lifetime expected credit losses (group evaluation)	Lifetime expected credit losses (individual evaluation)	Lifetime expected credit losses (non-purchased or originated credit impaired financial assets)	Lifetime expected credit losses (purchased or originated credit impaired financial assets)	
Beginning balance	\$17,081,891	\$2,818,698	\$-	\$297,536	\$-	\$20,198,125
Changes due to financial instrument recognition:						
Transferred to lifetime expected credit losses	(457,683)	457,693	-	(10)	-	-
Transferred to credit impaired financial asset	(24,074)	(14,019)	-	38,093	-	-
Transferred to 12-month expected credit losses	8,636	(8,613)	-	(23)	-	-
Financial assets derecognized during the period	(12,360,758)	(45,861)	-	(66,083)	-	(12,472,702)
New financial assets originated or purchased	24,354,726	15,292	-	24,857	-	24,394,875
Bad-Debt Write offs	(75)	(1,032)	-	(91,041)	-	(92,148)
Foreign currency exchange and other changes	2,367,568	(2,924,057)	-	42,350	-	(514,139)
Ending balance	<u>\$30,970,231</u>	<u>\$298,101</u>	<u>\$-</u>	<u>\$245,679</u>	<u>\$-</u>	<u>\$31,514,011</u>

(9) Discounts and loans-net

	December 31, 2024	December 31, 2023
Short-term loans and overdrafts	\$19,423,441	\$28,263,637
Short-term secured loans	143,161	223,465
Medium-term loans	53,444,973	53,285,920
Medium-term secured loans	222,368	982,924
Long-term loans	13,543,409	10,906,466
Long-term secured loans	224,591,435	197,141,022
Overdue loans	149,483	84,970
Subtotal	311,518,270	290,888,404
Add: premium adjustments on discounts and loans	221,074	335,582
Less: allowance for bad debts	5,493,289	5,164,593
Total	<u>\$306,246,055</u>	<u>\$286,059,393</u>

Please refer to note 6(37) for relating information on credit risk and market risk.

Allowance for bad debt is provided by evaluating the risk of non-recovery of specific outstanding loans, and the risk of non-recovery is assessed by the probability of default.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

For the years ended December 31, 2024 and 2023, the Company disposed credit assets in order to increase debt recovery, and recognized the losses arising from the derecognition of credit assets measured at amortized cost amounted to \$11,267 thousand and \$0 thousand, respectively.

As of December 31, 2024 and 2023, the amounts of outstanding loans with interest charges suspended amounted to \$149,483 thousand and \$84,970 thousand, respectively. The amounts of interest not accrued derived from the aforementioned loans were \$4,209 thousand and \$3,996 thousand, respectively.

Changes in the allowance for bad debts of discounts and loans were as follows:

	2024						Differences in impairment provisions according to "Regulations of the Procedures for Banking Institutions to Evaluate Assets and Deal with Past-Due/Non-Performing Loans"	Total
	12-month expected credit losses	Lifetime expected credit losses (group evaluation)	Lifetime expected credit losses (individual evaluation)	Lifetime expected credit losses (non-purchased or originated credit impaired financial assets)	Lifetime expected credit losses (purchased or originated credit impaired financial assets)	Impairment losses according to IFRS 9 (total)		
Beginning balance	\$533,493	\$582,823	\$-	\$629,757	\$-	\$1,746,073	\$3,418,520	\$5,164,593
Changes due to financial instrument recognition:								
Transferred to lifetime expected credit losses	(27,110)	27,995	-	(885)	-	-	-	-
Transferred to credit impaired financial asset	(20,420)	(20,292)	-	40,712	-	-	-	-
Transferred to 12-month expected credit losses	32,618	(32,252)	-	(366)	-	-	-	-
Financial assets derecognized during the period	(149,503)	(318,095)	-	(258,751)	-	(726,349)	-	(726,349)
New financial assets originated or purchased	336,014	202,916	-	1,477,996	-	2,016,926	-	2,016,926
Differences in impairment provisions according to "Regulations of the Procedures for Banking Institutions to Evaluate Assets and Deal with Past-Due/Non-Performing Loans"	-	-	-	-	-	-	175,059	175,059
Bad-Debt Write offs	(102)	(19,017)	-	(1,379,316)	-	(1,398,435)	-	(1,398,435)
Foreign currency exchange and other changes	(70,295)	204,801	-	126,989	-	261,495	-	261,495
Ending balance	\$634,695	\$628,879	\$-	\$636,136	\$-	\$1,899,710	\$3,593,579	\$5,493,289

STANDARD CHARTERED BANK (TAIWAN) LIMITED
Notes to the Financial Statements (Continued)
(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

	2023							
				Lifetime expected credit losses (non-purchased or originated credit impaired financial assets)	Lifetime expected credit losses (purchased or originated credit impaired financial assets)	Impairment losses according to IFRS 9 (total)	Differences in impairment provisions according to “Regulations of the Procedures for Banking Institutions to Evaluate Assets and Deal with Past-Due/Non-Performing Loans”	Total
	12-month expected credit losses	Lifetime expected credit losses (group evaluation)	Lifetime expected credit losses (individual evaluation)					
Beginning balance	\$461,639	\$369,168	\$-	\$617,245	\$-	\$1,448,052	\$3,380,209	\$4,828,261
Changes due to financial instrument recognition:								
Transferred to lifetime expected credit losses	(31,912)	32,084	-	(172)	-	-	-	-
Transferred to credit impaired financial asset	(11,852)	(12,710)	-	24,562	-	-	-	-
Transferred to 12-month expected credit losses	13,472	(13,313)	-	(159)	-	-	-	-
Financial assets derecognized during the period	(144,768)	(231,999)	-	(146,778)	-	(523,545)	-	(523,545)
New financial assets originated or purchased	342,834	270,454	-	1,020,982	-	1,634,270	-	1,634,270
Differences in impairment provisions according to “Regulations of the Procedures for Banking Institutions to Evaluate Assets and Deal with Past-Due/Non-Performing Loans”	-	-	-	-	-	-	38,311	38,311
Bad-Debt Write offs	-	(1,529)	-	(963,270)	-	(964,799)	-	(964,799)
Foreign currency exchange and other changes	(95,920)	170,668	-	77,347	-	152,095	-	152,095
Ending balance	\$533,493	\$582,823	\$-	\$629,757	\$-	\$1,746,073	\$3,418,520	\$5,164,593

Changes in the book values of discounts and loans were as follows:

	2024					
			Lifetime expected credit losses	Lifetime expected credit losses		
			Lifetime expected credit losses	(non-purchased or originated credit impaired financial assets)	(purchased or originated credit impaired financial assets)	Total
	12-month expected credit losses	Lifetime expected credit losses (group evaluation)	(individual evaluation)			
Beginning balance	\$283,718,396	\$4,487,556	\$-	\$2,682,452	\$-	\$ 290,888,404
Changes due to financial instrument recognition:						
Transferred to lifetime expected credit losses	(1,207,442)	1,216,516	-	(9,074)	-	-
Transferred to credit impaired financial asset	(734,979)	(589,100)	-	1,324,079	-	-
Transferred to 12-month expected credit losses	878,620	(863,785)	-	(14,835)	-	-
Financial assets derecognized during the period	(82,813,380)	(1,169,837)	-	(690,294)	-	(84,673,511)
New financial assets originated or purchased	104,023,185	425,107	-	767,949	-	105,216,241
Bad-Debt Write offs	(102)	(19,017)	-	(1,379,316)	-	(1,398,435)
Foreign currency exchange and other changes	1,453,487	28,167	-	3,917	-	1,485,571
Ending balance	\$305,317,785	\$3,515,607	\$-	\$2,684,878	\$-	\$311,518,270

STANDARD CHARTERED BANK (TAIWAN) LIMITED
Notes to the Financial Statements (Continued)
(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

	2023					Total
	12-month expected credit losses	Lifetime expected credit losses (group evaluation)	Lifetime expected credit losses (individual evaluation)	Lifetime expected credit losses	Lifetime expected credit losses	
				(non-purchased or originated credit impaired financial assets)	(purchased or originated credit impaired financial assets)	
Beginning balance	\$282,944,004	\$6,782,828	\$-	\$2,763,632	\$-	\$292,490,464
Changes due to financial instrument recognition:						
Transferred to lifetime expected credit losses	(1,717,172)	1,718,928	-	(1,756)	-	-
Transferred to credit impaired financial asset	(566,858)	(367,922)	-	934,780	-	-
Transferred to 12-month expected credit losses	3,315,238	(3,306,017)	-	(9,221)	-	-
Financial assets derecognized during the period	(96,950,598)	(2,121,036)	-	(608,399)	-	(99,680,033)
New financial assets originated or purchased	96,172,478	984,732	-	566,418	-	97,723,628
Bad-Debt Write offs	-	(1,529)	-	(963,270)	-	(964,799)
Foreign currency exchange and other changes	521,304	797,572	-	268	-	1,319,144
Ending balance	\$283,718,396	\$4,487,556	\$-	\$2,682,452	\$-	\$290,888,404

(10) Other financial assets-net

	December 31, 2024	December 31, 2023
Restricted assets-debt instruments	\$11,754,086	\$10,521,438
Non-accrual loans other than those reclassified from loans	7,335	7,082
Less: allowance for bad debts-non-accrual loans other than those reclassified from loans	7,335	7,082
Total	\$11,754,086	\$10,521,438

Changes in the allowance for bad debts of non-accrual loans other than those reclassified from loans were as follows:

	2024							Total
	12-month expected credit losses	Lifetime expected credit losses (group evaluation)	Lifetime expected credit losses (individual evaluation)	Lifetime	Lifetime	Differences in impairment		
				expected credit	expected credit	provisions according to		
				losses	losses	“Regulations of the Procedures		
				(non-purchased	(purchased or	for Banking Institutions to		
				or originated	originated	Impairment	Evaluate Assets and Deal	
expected credit	losses (group	(individual	credit impaired	credit impaired	losses according	with Past-Due/Non-Performing		
losses	evaluation)	evaluation)	financial assets)	financial assets)	to IFRS 9 (total)	Loans”		
Beginning balance	\$-	\$-	\$-	\$-	\$-	\$-	\$7,082	\$7,082
Differences in impairment provisions according to “Regulations of the Procedures for Banking Institutions to Evaluate Assets and Deal with Past-Due/Non-Performing Loans”	-	-	-	-	-	-	253	253
Ending balance	\$-	\$-	\$-	\$-	\$-	\$-	\$7,335	\$7,335

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Notes to the Financial Statements (Continued)
(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

	2023						
	LifETIME expected credit losses			LifETIME expected credit losses		Differences in impairment provisions according to	
	LifETIME expected credit losses			LifETIME expected credit losses		“Regulations of the Procedures for Banking Institutions to	
	LifETIME expected credit losses			LifETIME expected credit losses		Evaluate Assets and Deal	
	12-month expected credit losses	LifETIME expected credit losses (group evaluation)	LifETIME expected credit losses (individual evaluation)	(non-purchased or originated credit impaired financial assets)	(purchased or originated credit impaired financial assets)	Impairment losses according to IFRS 9 (total)	Loans”
							Total
Beginning balance	\$-	\$-	\$-	\$-	\$-	\$-	\$7,253
Differences in impairment provisions according to “Regulations of the Procedures for Banking Institutions to Evaluate Assets and Deal with Past-Due/Non-Performing Loans”	-	-	-	-	-	-	(171)
Ending balance	\$-	\$-	\$-	\$-	\$-	\$-	\$7,082

Changes in the book values of non-accrual loans other than those reclassified from loans were as follows:

	2024				
	LifETIME expected credit losses			LifETIME expected credit losses	
	LifETIME expected credit losses			LifETIME expected credit losses	
	LifETIME expected credit losses			LifETIME expected credit losses	
	12-month expected credit losses	LifETIME expected credit losses (group evaluation)	LifETIME expected credit losses (individual evaluation)	or originated credit impaired financial assets)	originated credit impaired financial assets)
					Total
Beginning balance	\$-	\$-	\$-	\$7,082	\$-
Changes due to financial instrument recognition:					
Financial assets derecognized during the period	-	-	-	(207)	-
Foreign currency exchange and other changes	-	-	-	460	-
Ending balance	\$-	\$-	\$-	\$7,335	\$-

	2023				
	LifETIME expected credit losses			LifETIME expected credit losses	
	LifETIME expected credit losses			LifETIME expected credit losses	
	LifETIME expected credit losses			LifETIME expected credit losses	
	12-month expected credit losses	LifETIME expected credit losses (group evaluation)	LifETIME expected credit losses (individual evaluation)	or originated credit impaired financial assets)	originated credit impaired financial assets)
					Total
Beginning balance	\$-	\$-	\$-	\$7,253	\$-
Foreign currency exchange and other changes	-	-	-	(171)	-
Ending balance	\$-	\$-	\$-	\$7,082	\$-

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

(11) Property and equipment-net

	Land	Buildings	Office equipment	Leasehold improvements	Other equipment	Construction in progress	Total
Cost:							
2024.1.1	\$1,798,434	\$1,590,636	\$344,655	\$993,327	\$587,255	\$-	\$5,314,307
Additions	-	170	4,846	27,033	50,812	80,285	163,146
Disposals	(211,920)	(84,321)	(25,712)	(6,301)	(50,448)	-	(378,702)
Reclassification	-	6,129	2,380	27,294	23,434	(59,237)	-
2024.12.31	<u>\$1,586,514</u>	<u>\$1,512,614</u>	<u>\$326,169</u>	<u>\$1,041,353</u>	<u>\$611,053</u>	<u>\$21,048</u>	<u>\$5,098,751</u>
2023.1.1	\$1,871,873	\$1,809,190	\$374,615	\$925,997	\$541,582	\$7,042	\$5,530,299
Additions	-	8,170	10,846	69,880	147,079	1,698	237,673
Disposals	(73,439)	(226,724)	(40,806)	(2,550)	(110,146)	-	(453,665)
Reclassification	-	-	-	-	8,740	(8,740)	-
2023.12.31	<u>\$1,798,434</u>	<u>\$1,590,636</u>	<u>\$344,655</u>	<u>\$993,327</u>	<u>\$587,255</u>	<u>\$-</u>	<u>\$5,314,307</u>
Accumulated depreciation and impairment:							
2024.1.1	\$7,095	\$952,557	\$234,513	\$559,736	\$347,139	\$-	\$2,101,040
Depreciation	-	37,433	38,206	78,537	95,391	-	249,567
Disposals	(7,095)	(68,643)	(25,712)	(6,301)	(50,448)	-	(158,199)
Reclassification	-	-	32	-	(32)	-	-
2024.12.31	<u>\$-</u>	<u>\$921,347</u>	<u>\$247,039</u>	<u>\$631,972</u>	<u>\$392,050</u>	<u>\$-</u>	<u>\$2,192,408</u>
2023.1.1	\$7,095	\$1,057,474	\$236,964	\$490,782	\$386,311	\$-	\$2,178,626
Depreciation	-	43,004	38,355	71,504	70,974	-	223,837
Disposals	-	(147,921)	(40,806)	(2,550)	(110,146)	-	(301,423)
2023.12.31	<u>\$7,095</u>	<u>\$952,557</u>	<u>\$234,513</u>	<u>\$559,736</u>	<u>\$347,139</u>	<u>\$-</u>	<u>\$2,101,040</u>
Net carrying amount as of:							
2024.12.31	<u>\$1,586,514</u>	<u>\$591,267</u>	<u>\$79,130</u>	<u>\$409,381</u>	<u>\$219,003</u>	<u>\$21,048</u>	<u>\$2,906,343</u>
2023.12.31	<u>\$1,791,339</u>	<u>\$638,079</u>	<u>\$110,142</u>	<u>\$433,591</u>	<u>\$240,116</u>	<u>\$-</u>	<u>\$3,213,267</u>

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

(12) Intangible assets-net

	Work in Process	Goodwill	Capitalized Software	Total
Cost:				
2024.1.1	\$96,736	\$3,156,048	\$58,556	\$3,311,340
Additions	-	-	17,374	17,374
Disposals	(46,791)	-	-	(46,791)
2024.12.31	<u>\$49,945</u>	<u>\$3,156,048</u>	<u>\$75,930</u>	<u>\$3,281,923</u>
2023.1.1	\$112,247	\$3,156,048	\$58,556	\$3,326,851
Disposals	(15,511)	-	-	(15,511)
2023.12.31	<u>\$96,736</u>	<u>\$3,156,048</u>	<u>\$58,556</u>	<u>\$3,311,340</u>
Amortization and Impairment:				
2024.1.1	\$7,553	\$-	\$58,556	\$66,109
Amortizations	-	-	1,128	1,128
Disposals	(7,553)	-	-	(7,553)
2024.12.31	<u>\$-</u>	<u>\$-</u>	<u>\$59,684</u>	<u>\$59,684</u>
2023.1.1	\$-	\$-	\$58,556	\$58,556
Impairment	7,553	-	-	7,553
2023.12.31	<u>\$7,553</u>	<u>\$-</u>	<u>\$58,556</u>	<u>\$66,109</u>
2024.12.31	<u>\$49,945</u>	<u>\$3,156,048</u>	<u>\$16,246</u>	<u>\$3,222,239</u>
2023.12.31	<u>\$89,183</u>	<u>\$3,156,048</u>	<u>\$-</u>	<u>\$3,245,231</u>

(13) Other assets-net

	December 31, 2024	December 31, 2023
Refundable deposits	\$279,093	\$309,571
Refundable deposits-derivative financial instruments	4,157,806	5,732,804
Prepaid fee	152,448	173,354
Other	41,474	54,005
Total	<u>\$4,630,821</u>	<u>\$6,269,734</u>

Nil allowance for impairments of the above other assets as of December 31, 2024 and 2023.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

(14) Deposits from the Central Bank and banks

	December 31, 2024	December 31, 2023
Deposits from banks	\$1,507	\$7,695
Deposits from banks-affiliates	12,906	14,773
Overdrafts on banks	21,531	46,889
Overdrafts on banks-affiliates	685,103	1,850
Call loans from banks-affiliates	12,230,748	1,186,823
Total	<u>\$12,951,795</u>	<u>\$1,258,030</u>

(15) Payables

	December 31, 2024	December 31, 2023
Accounts payable	\$25,794	\$18,343
Accrued interest	1,154,546	1,028,024
Accrued expenses	1,561,831	1,447,463
Collection payable	54,255	76,607
Unsettled bonds payable	1,092,041	27,226
Acceptances payable	58,878	5,863
Temporary receipts in advance	11,335	38,947
Other	693,585	622,043
Total	<u>\$4,652,265</u>	<u>\$3,264,516</u>

(16) Deposits and remittances

	December 31, 2024	December 31, 2023
Checking account deposits	\$1,727,175	\$2,229,746
Demand deposits:		
Demand deposits	231,933,466	226,051,339
Saving account deposits	163,608,116	167,053,310
Subtotal of demand deposits	<u>395,541,582</u>	<u>393,104,649</u>
Time deposits:		
Time deposits	209,998,669	178,847,250
Time savings deposits	27,034,054	26,058,064
Subtotal of time deposits	<u>237,032,723</u>	<u>204,905,314</u>
Remittances	211,738	223,739
Total	<u>\$634,513,218</u>	<u>\$600,463,448</u>

As of December 31, 2024, and 2023, the Company's foreign currency time deposits with fixed rate mentioned above have adopted cross currency swap of cash flow hedge in order to reduce the impact of cash flows that were affected by interest rate and foreign exchange rate fluctuation.

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Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

(17) Financial debentures

As of December 31, 2024 and 2023, details of financial debentures issued by the Company were as follows:

Bond	Conditions for issuance	December 31, 2024	December 31, 2023
91-1A	5-year term, interest accrued and paid semiannually, annual interest rate for the first 3 years is 4.25%, and 4.5% for the last 2 years; maturity date: July 19, 2007	\$1,000	\$1,000
94-1	No maturity date, interest accrued and paid semiannually, based on the average one year regular floating rate of the nine largest banks plus 1.493%	1,100	1,100
94-2	No maturity date, interest accrued and paid semiannually, based on the average one year regular floating rate of the nine largest banks plus 1.493%	100	100
103-2	10-year term, USD based, interest accrued and paid semiannually, annual rate is 4.50%; maturity date: December 18, 2024	-	6,149,150
113-1	10-year term, USD based, interest accrued and paid quarterly, based on compounded daily SOFR+2.04%; maturity date: December 6, 2034	9,840,720	-
Total		<u>\$9,842,920</u>	<u>\$6,151,350</u>

(18) Other financial liabilities

	December 31, 2024	December 31, 2023
Structured deposits	<u>\$-</u>	<u>\$15,373</u>

(19) Provisions

	December 31, 2024	December 31, 2023
Provision for employee benefits	\$221,607	\$508,201
Provision for decommissioning, restoration and rehabilitation costs	188,506	169,271
Provision for guarantee liabilities	81,209	107,799
Provision for loan commitments	5,378	24,678
Other miscellaneous provisions	4	53
Other	9,483	9,483
Total	<u>\$506,187</u>	<u>\$819,485</u>

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Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

The changes in the book values of guarantee liabilities, loan commitments and other miscellaneous provisions were as follows:

	2024							
	12-month expected credit losses	Lifetime expected credit losses (group evaluation)	Lifetime expected credit losses (individual evaluation)	Lifetime losses (non-purchased or originated credit impaired financial assets)	Lifetime losses (purchased or originated credit impaired financial assets)	Impairment losses according to IFRS 9 (total)	Differences in impairment provisions according to "Regulations of the Procedures for Banking Institutions to Evaluate Assets and Deal with Past-Due/Non-Performing Loans"	Total
Beginning balance	\$25,548	\$6	\$-	\$-	\$-	\$25,554	\$106,976	\$132,530
Changes due to financial instrument recognition:								
Transferred to lifetime expected credit losses	-	-	-	-	-	-	-	-
Transferred to 12-month expected credit losses	-	-	-	-	-	-	-	-
Financial assets derecognized during the period	(21,105)	(5)	-	-	-	(21,110)	-	(21,110)
New financial assets originated or purchased	1,014	53	-	-	-	1,067	-	1,067
Differences in impairment provisions according to "Regulations of the Procedures for Banking Institutions to Evaluate Assets and Deal with Past-Due/Non-Performing Loans"	-	-	-	-	-	-	(26,837)	(26,837)
Foreign currency exchange and other changes	941	-	-	-	-	941	-	941
Ending balance	\$6,398	\$54	\$-	\$-	\$-	\$6,452	\$80,139	\$86,591

	2023							
	12-month expected credit losses	Lifetime expected credit losses (group evaluation)	Lifetime expected credit losses (individual evaluation)	Lifetime losses (non-purchased or originated credit impaired financial assets)	Lifetime losses (purchased or originated credit impaired financial assets)	Impairment losses according to IFRS 9 (total)	Differences in impairment provisions according to "Regulations of the Procedures for Banking Institutions to Evaluate Assets and Deal with Past-Due/Non-Performing Loans"	Total
Beginning balance	\$27,836	\$2,064	\$-	\$-	\$-	\$29,900	\$73,767	\$103,667
Changes due to financial instrument recognition:								
Transferred to lifetime expected credit losses	(1)	1	-	-	-	-	-	-
Transferred to 12-month expected credit losses	1,828	(1,828)	-	-	-	-	-	-
Financial assets derecognized during the period	(17,365)	(235)	-	-	-	(17,600)	-	(17,600)
New financial assets originated or purchased	14,327	4	-	-	-	14,331	-	14,331
Differences in impairment provisions according to "Regulations of the Procedures for Banking Institutions to Evaluate Assets and Deal with Past-Due/Non-Performing Loans"	-	-	-	-	-	-	33,209	33,209
Foreign currency exchange and other changes	(1,077)	-	-	-	-	(1,077)	-	(1,077)
Ending balance	\$25,548	\$6	\$-	\$-	\$-	\$25,554	\$106,976	\$132,530

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

(20) Other liabilities

	December 31, 2024	December 31, 2023
Advance received from customers	\$975,280	\$998,554
Guarantee deposits received-derivatives financial instruments	5,686,870	3,759,313
Taxes payable	521,671	412,248
Deferred income	333,401	339,980
Guarantee deposits received	1,863	2,746
Other	502,437	1,287,315
Total	<u>\$8,021,522</u>	<u>\$6,800,156</u>

(21) Employee benefits

(a) Defined contribution plans

The Company's defined contribution plans follow the Labor Pension Act of the R.O.C. and make monthly cash contributions to the employees' individual pension accounts at the Bureau of Labor Insurance at the rate of 6% of the employees' monthly salary. Under these plans, the Company has no legal or constructive obligation to make other payments after the making the fixed amounts of contributions to the Bureau of Labor Insurance.

For the years ended December 31, 2024 and 2023, the pension expenses under defined contribution plans of the Company amounted to \$160,941 thousand and \$159,924 thousand, respectively, recorded under operating expenses-employee benefits expenses.

(b) Provision for employee benefits

i. Defined benefit plans

	December 31, 2024	December 31, 2023
Defined benefit plans	<u>\$221,607</u>	<u>\$508,201</u>

The reconciliation between present value of defined benefits obligation and fair value of defined benefits plan assets was disclosed below:

	December 31, 2024	December 31, 2023
Present value of defined benefits obligation	\$1,639,238	\$1,816,762
Less: fair value of defined benefits plan assets	<u>1,417,631</u>	<u>1,308,561</u>
Liability recognized in balance sheets	<u>\$221,607</u>	<u>\$508,201</u>

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Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

The Company adopted the defined benefit plans, which contribute 5% of eligible employees' monthly salary to the retirement reserve trust account at the Bank of Taiwan. Employees' pension is calculated based on the employees' years of service under the Labor Standard Act and the employees' final average monthly salary at the time of retirement. Final average monthly salary refers to the average 6-month monthly salary preceding retirement including basic monthly salary, meal allowance, car allowance, shift allowance, sales incentives, and overtime payment.

ii. Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenue, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The bank of Taiwan labor pension reserve account balance amounted to \$1,417,631 thousand as of December 31, 2024. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

iii. Changes in present value of defined benefit obligation

The changes in present value of defined benefit obligation were as follows:

	2024	2023
DBO at beginning of period	\$1,816,762	\$1,942,416
Current service cost and interest cost	50,335	45,356
Remeasurements of the net defined benefit liabilities		
Actuarial (gain) loss-experience changes	(67,917)	(10,839)
Actuarial (gain) loss-financial assumption changes	(46,577)	-
Benefits paid from plan assets	(62,785)	(55,441)
Benefits paid directly by the Bank	(50,580)	(104,730)
DBO at end of period	<u>\$1,639,238</u>	<u>\$1,816,762</u>

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

iv. Changes in fair value of plan assets

The changes in fair value of defined benefit plan assets were as follows:

	2024	2023
Fair value of plan assets at beginning of period	\$1,308,561	\$1,297,218
Interest income	15,158	15,004
Remeasurement of the net defined benefit assets		
Actuarial gain-return on plan assets (exclude interest)	118,599	13,086
Employer contributions	38,098	38,694
Benefit paid from plan assets	(62,785)	(55,441)
Fair value of plan assets at end of period	<u>\$1,417,631</u>	<u>\$1,308,561</u>

v. Changes in asset ceiling

The Company has an unconditional right to the surplus of the plans. As a result, the asset ceiling does not apply to the defined benefit plans.

vi. Cost recognized as profit or loss

The cost recognized as profit or loss were as follows:

	2024	2023
Current service cost	\$29,398	\$22,950
Net interest on the net defined benefit liabilities	5,779	7,402
	<u>\$35,177</u>	<u>\$30,352</u>

vii. Remeasurements of defined benefit plans recognized in other comprehensive income

Remeasurements of defined benefit plans recognized in other comprehensive income were as follows:

	2024	2023
Cumulated surplus at beginning of period	\$(18,474)	\$5,451
(Reversal) recognized in current period	(233,093)	(23,925)
Cumulated surplus at end of period	<u>\$(251,567)</u>	<u>\$(18,474)</u>

STANDARD CHARTERED BANK (TAIWAN) LIMITED
Notes to the Financial Statements (Continued)
(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

viii. Primary actuarial assumptions

	2024	2023
Defined benefit plan discount rate	1.60%	1.20%
Incremental rate of future compensation levels	3.50%	3.50%

The Company expected to contribute to its defined benefit plans \$45,155 thousand within one year as of December 31, 2024.

Weighted average duration of the defined benefit obligation is 6.9 years.

ix. The sensitivity analysis

When calculating the present value of defined benefits obligation, the Company must make judgements and estimates to determine the actuarial assumptions, including changes in discount rate and future salaries. Any changes in the actuarial assumptions may materially affect the amount of defined benefit obligation of the Company.

As of December 31, 2024 and 2023, the effects of changes in actuarial assumptions on the present value of defined benefit obligation were as follows:

	Effect on DBO	
	0.5% Increase	0.5% Decrease
December 31, 2024		
Discount rate	\$(55,463)	\$58,542
Incremental rate of future compensation levels	58,758	(56,182)
December 31, 2023		
Discount rate	\$(64,653)	\$68,432
Incremental rate of future compensation levels	68,276	(65,121)

Except significant assumptions independently used for the aforementioned sensitivity analysis, the other assumptions were kept unchanged to estimate the effect of the change of single assumption. In real case, changes of several assumptions might be connected together. Sensitivity analysis was performed under the same approach as that adopted to calculate the defined benefit obligation in balance sheets.

The approach adopted to perform the sensitivity analysis during this period remained the same as previous period.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

(22) Income tax

The major components of income tax expense for the years ended December 31, 2024 and 2023 were as follows:

Income tax expenses recognized in profit or loss

	For the years ended December 31	
	2024	2023
Current income tax expenses		
Current income tax charges	\$1,126,846	\$927,857
Adjustments in respect of current income tax of prior periods	(2,129)	(2,662)
Deferred income tax expenses		
Deferred tax expenses relating to origination and reversal of temporary differences	(8,454)	(3,361)
Income tax expenses	<u>\$1,116,263</u>	<u>\$921,834</u>

Income tax related to components of other comprehensive income

	For the years ended December 31	
	2024	2023
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss:		
Remeasurements of defined benefit plans	\$46,619	\$4,785
Income tax related to components of other comprehensive income that will be reclassified to profit or loss:		
Investments in debt instruments measured at fair value through other comprehensive income	9,499	25,761
Hedging instruments	(91,025)	57,341
Total	<u>\$(34,907)</u>	<u>\$87,887</u>

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

The differences between the expected income tax at statutory rates and the income tax expenses were as follows:

	For the years ended December 31	
	2024	2023
Accounting profit before tax from continuing operations	\$6,329,073	\$5,754,598
Income tax from profit before tax at statutory rate	\$1,265,815	\$1,150,920
Permanent differences	(155,241)	(232,211)
Prior-year income tax adjustments	(2,129)	(2,662)
Basic income tax	-	-
Other adjustments per tax regulation	7,818	5,787
Income tax expenses	\$1,116,263	\$921,834

The components of deferred income tax expenses (benefits) were as follows:

	For the years ended December 31	
	2024	2023
Bad debt expenses and provisions for guarantee liabilities	\$(35,725)	\$(44,971)
Depreciation expenses	(3,318)	(276)
Expenses from share-based payments	(1,086)	(3,181)
Employee benefits	10,700	22,614
Provisions	570	(297)
Deferred income	3,453	(2,200)
Unrealized interest income on financial assets	16,952	24,950
Total	\$(8,454)	\$(3,361)

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

The Company's temporary differences of deferred tax components, based on the income tax rate for December 31, 2024 and 2023 were as follows:

	December 31, 2024	December 31, 2023
Deferred tax assets		
Bad debt expenses and provisions for guarantee liabilities	\$540,677	\$504,951
Depreciation expenses	39,531	36,213
Impairment losses on assets	395	395
Expenses from share-based payments	8,463	7,377
Employee benefits	44,321	101,641
Provisions	6,911	7,481
Deferred income	54,157	57,610
Losses on hedging instruments	85,950	-
Total	<u>\$780,405</u>	<u>\$715,668</u>
Deferred tax liabilities		
Unrealized interest income on financial assets	\$175,517	\$158,565
Amortization of goodwill	618,585	618,585
Land value increment tax	39,707	58,889
Unrealized gains on financial assets measured at fair value through other comprehensive income	11,922	2,340
Gains on hedging instruments	-	5,076
Total	<u>\$845,731</u>	<u>\$843,455</u>

The movements of deferred tax items were as follows:

	For the years ended December 31	
	2024	2023
Beginning balance	\$(127,787)	\$(51,536)
Land value increment tax	19,182	8,051
Recognized in current period profit and loss	8,454	3,361
Recognized in other comprehensive income	34,825	(87,663)
Ending balance	<u>\$(65,326)</u>	<u>\$(127,787)</u>

The income tax returns of the prior years have been assessed and agreed up to the year 2022.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

(23) Stockholders' equity

(a) Capital

As of December 31, 2024, the Company's authorized capital was \$30,000,000 thousand, representing 3,000,000 thousand shares with par value of NT\$10 per share; paid-in capital was \$29,105,720 thousand and 2,910,572 thousand of shares were issued.

(b) Capital surplus

The R.O.C. Company Act as amended in January 2012 requires capital surplus to be used to offset an accumulated deficit before capitalization to shareholders' equity as realized capital surplus or distribution of cash dividends. The aforementioned realized capital surplus includes the proceeds received in excess of the par value of common stock issued and any amounts donated to the Company. In accordance with "Regulations Governing the Offering and Issuance of Securities", the amount of capital surplus capitalized each year may not exceed 10% of the Company's issued share capital.

(c) Legal reserve

Whenever the Company generates a profit in accordance with "The Banking Act of The Republic of China". The Company, at the time of distributing its earnings for each fiscal year, shall set aside 30% of its after-tax earnings as legal reserve, until the legal reserve equals its paid-in capital. Otherwise, the maximum cash profits, which may be distributed, shall not exceed 15% of the Company's paid in capital. In addition to the legal reserve, a special reserve can be appropriated after being approved during the stockholders' meeting.

(d) Special reserve

In terms of the Financial Supervisory Commission, Executive Yuan, Jin-Guan-Zheng-(Fa)-Zi No. 1010012865 dated April 6, 2012, the first time a public company adopts International Financial Reporting Standards ("IFRS"), it must set aside special reserves equal in amounts to those portions of unrealized revaluation gains and cumulative translation adjustments (both of which are sub accounts under booked shareholder equity) that is shifted to retained earnings as a result of the claiming of an IFRS 1 exemption. However, if the increment of retained earnings resulted from first time adoption of IFRS is not sufficient at the date of transition; the Company could recognize that incremental amount only. When the Company subsequently uses, disposes of, or reclassifies the assets in question, a proportional amount of the special reserve set aside previously may be reversed to distributable earnings. In accordance with that regulation, under the situation of not having sufficient increment of retained earnings resulted from first time adoption of IFRS, the Company can shift that incremental amount \$239,413 thousand to special reserves.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

For the years ended December 31, 2024 and 2023, due to a disposal of assets mentioned above by the Company, the proportional amount of the special reserve resulted from the first time adoption of IFRS was reversed and increased unappropriated retained earnings amounted to \$40,161 thousand and \$12,419 thousand, respectively.

(e) Other equity interest

Changes in the Company's other equity interest were as follows:

	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	Total
January 1, 2024	\$(244,424)	\$20,302	\$(224,122)
Gains on hedging instruments	-	(360,141)	(360,141)
Disposal of equity instruments at fair value through other comprehensive profit or loss	(2,547)	-	(2,547)
Financial assets at fair value through other comprehensive income			
Valuation adjustments	(3,344)	-	(3,344)
December 31, 2024	\$(250,315)	\$(339,839)	\$(590,154)

	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	Total
January 1, 2023	\$(482,169)	\$(209,062)	\$(691,231)
Gains on hedging instruments	-	229,364	229,364
Financial assets at fair value through other comprehensive income			
Valuation adjustments	237,745	-	237,745
December 31, 2023	\$(244,424)	\$20,302	\$(224,122)

(f) Dividend policy and appropriation of earnings

The Articles of Incorporation approved by the Board of Directors on June 25, 2019, from the profit earned by the Company as shown in the final annual account after tax, 30% of the profit shall be first set aside for the legal reserve, then an amount shall be set aside for the special reserve. The remaining profit, if any, shall be distributed to shareholders as dividend and bonus in accordance with the shareholders' resolution.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

According to Financial-Supervisory-Securities-Corporate No. 1090150022 issued by the Financial Supervisory Commission on March 31, 2021: 1) when a company distributes distributable surplus, it shall allocate an amount of special reserve equal to the cumulative net amount of other deductions from equity, which may not be distributed. If there is any deficiency, it is set aside from the undistributed earnings of the previous year. 2) For the net deduction of accumulated other equity in the previous period, it is deducted from the undistributed earnings of the previous period. If there is still any deficiency, the net profit after tax plus other comprehensive income for the current period shall be included in the undistributed surplus for the current period and shall be set aside. If there is a subsequent reversal of the net deduction of other equity items, the reversal of the special surplus reserve shall be included in distribution of retained earnings.

On May 31, 2024 and June 6, 2023, the Board of Directors, representing shareholders, approved the distribution of retained earnings and distributed cash dividends for 2023 and 2022 were as follows:

	2023	2022
Legal reserve appropriated	\$1,459,297	\$814,379
Special reserve appropriated	224,123	-
Cash dividends of ordinary shares	3,180,903	1,900,218
Total	<u>\$4,864,323</u>	<u>\$2,714,597</u>

The relevant information about earnings distribution or deficit compensation can be accessed through Market Observation Post System or other sites.

(24) Share-based payments

The SC PLC Group operates a number of share-based arrangements for its executive directors and employees. For the years ended December 31, 2024 and 2023, the share-based payment schemes adopted by the Company were as follows:

(a) All Employee Sharesave Plans (Original: International Sharesave Schemes “ISS”)

Under the All Employee Sharesave Plans (“AESP”), employees may open a savings contract. Within a period of six months after the third anniversary, if appropriate, employees may purchase ordinary shares in the SC PLC Group at a discount of up to 20% on the share price at the date of invitation (this is known as the “option exercise price”). There are no performance measures attached to options granted under the AESP.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

The option movements of the AESP were as follows:

	For the years ended December 31	
	2024 Units	2023 Units
Beginning balance	246,939	262,858
Add: granted	199,009	62,179
Less: exercised	104,638	54,429
lapsed	21,458	23,669
Ending balance	319,852	246,939

For the years ended December 31, 2024 and 2023, the costs of the AESP charged to profit or loss were \$1,762 thousand and \$3,644 thousand, respectively, recorded under operating expenses-employee benefits expenses.

Options under the AESP are valued using a binomial option-pricing model. The same fair value is applied to all employees including executive directors.

The fair value per option granted and the assumptions used in the calculation are as follows:

	2024	2023
	September 23	September 18
Grant date		
Share price at grant date	£ 7.59	£ 7.35
Exercise price	£ 6.10	£ 5.88
Vested period (years)	3	3
Expected volatility (%)	32.90	36.70
Expected option life (years)	3.50	3.50
Risk-free rate (%)	3.88	4.48
Expected dividend yield (%)	4.20	3.00
Fair value	£ 2.73	£ 3.05

The expected volatility is based on historical volatility over the last three years, or three years prior to grant. The expected life is the average expected period to exercise. The risk-free rate of return is the yield on zero-coupon UK Government bonds of a term consistent with the assumed option life. The expected dividend yield is calculated by reference to market consensus dividend yield.

(b) Restricted Share Awards (Original: Restricted Share Scheme “RSS”)

Restricted Share Awards (“RSA”) are used to deliver 2 types of awards, buy-out awards and deferred awards.

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Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

Buy-out awards are made outside of the annual performance process as compensation to new joiners who forfeit granted-but-unvested variable remuneration awards on leaving their previous employers, vest in instalments on the anniversaries of the award date specified at the time of grant. This enables the Company to meet regulatory requirements relating to buyouts, and is in line with market practices. In line with similar plans operated by the competitors of the Company, RSA is not subject to an annual limit and does not have any performance measures.

Deferred awards are used to deliver the deferred portion of variable remuneration, in line with both market practices and regulatory requirements. These awards vest in instalments on anniversaries of the award date specified at the time of grant. Deferred awards are not subject to any plan limit. This enables the Company to meet regulatory requirements relating to deferral levels, and is in line with market practices.

The option movements of the RSA were as follows:

	For the years ended	
	December 31	
	2024 Units	2023 Units
Beginning balance	139,871	179,106
Add: granted	73,260	59,412
dividend	1,878	1,172
Less: exercised	57,037	72,680
lapsed	-	27,139
Ending balance	157,972	139,871

For the years ended December 31, 2024 and 2023, the costs of the RSA charged to profit or loss were \$6,858 thousand and \$13,258 thousand, respectively, recorded under operating expenses-employee benefits expenses.

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Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

Grant date	2024					
	November 18		September 23		June 17	
Share price at grant date	£ 9.43		£ 7.59		£ 7.24	
Vesting period	Expected dividend		Expected dividend		Expected dividend	
	yield (%)	Fair value (£)	yield (%)	Fair value (£)	yield (%)	Fair value (£)
3 months	-	-	4.2	9.59	3.8	9.07
4 months	4.2	11.83	-	-	-	-
6 months	-	-	4.2	9.49	3.8	8.99
7 months	4.2	11.69	-	-	-	-
9 months	-	-	4.2	9.4	3.8	8.90
10 months	-	-	-	-	-	-
1 year	4.2	11.22, 11.36	4.2	9.02, 9.11, 9.21, 9.30	3.8	8.58, 8.66, 8.74
2 years	4.2	10.77, 10.90	4.2	8.65, 8.74, 8.83, 8.93	3.8	8.26, 8.34
3 years	4.2	10.46	4.2	8.39	-	-
4 years	4.2	10.04	-	-	-	-
5 years	-	-	-	-	-	-

Grant date	2024	
	March 11	
Share price at grant date	£ 6.56	
Vesting period	Expected dividend	
	yield (%)	Fair value (£)
3 months	4.2	8.22
4 months	-	-
6 months	4.2	8.14
7 months	-	-
9 months	4.2	8.06
10 months	-	-
1 year	4.2	7.73, 7.81, 7.89, 7.97
2 years	4.2	7.42, 7.50, 7.57, 7.65
3 years	4.2	7.20, 7.34
4 years	4.2	7.05
5 years	-	-

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

Grant date	2023					
	November 20		September 18		June 19	
Share price at grant date	£ 6.60		£ 7.43		£ 6.75	
Vesting period	Expected dividend		Expected dividend		Expected dividend	
	yield (%)	Fair value (£)	yield (%)	Fair value (£)	yield (%)	Fair value (£)
3 months	-	-	3.0	7.38	3.3	6.70
4 months	3.0	6.54	-	-	-	-
6 months	-	-	3.0	7.32	3.3	6.64
7 months	3.0	6.49	-	-	-	-
9 months	-	-	3.0	7.27	3.3	6.48, 6.59
10 months	3.0	6.44	-	-	-	-
1 year	3.0	6.25, 6.30, 6.35, 6.39	3.0	7.06, 7.11, 7.16, 7.22	3.3	6.18, 6.38, 6.43, 6.54
2 years	3.0	6.12, 6.16, 6.21	3.0	6.85, 6.90, 6.95, 7.01	3.3	5.98, 6.18, 6.33
3 years	3.0	5.94, 5.98, 6.03	3.0	6.65, 6.70, 6.80	3.3	5.98, 5.79, 6.13
4 years	3.0	5.76	-	-	-	-
5 years	-	-	-	-	-	-

Grant date	2023	
	March 13	
Share price at grant date	£ 7.40	
Vesting period	Expected dividend	
	yield (%)	Fair value (£)
3 months	3.1	7.34
4 months	-	-
6 months	-	-
7 months	-	-
9 months	-	-
10 months	-	-
1 year	3.1	7.12, 7.18
2 years	3.1	6.91, 6.96
3 years	3.1	6.70, 6.75
4 years	3.1	6.50, 6.55
5 years	3.1	6.35

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

(c) Long-term Incentive Plan Awards

Long-term Incentive Plan Awards (“LTIP”) are granted with vesting subject to performance measures. Performance measures attached to awards granted previously include: relative total shareholder return (“TSR”); return on tangible equity (“RoTE”) with a Common Equity Tier 1 (“CET1”) underpin and strategic measures. Each measure is assessed independently over a 3-year period. Awards have an individual conduct gateway requirement that results in the award lapsing if not met.

For the years ended December 31, 2024 and 2023, no related cost of stock warrants was recorded.

	2024	2023
	March 12	March 13
Grant date		
Share price at grant date	£6.60	£7.40
Vesting period (years)	3/4/5/6/7	3/4/5/6/7
Expected dividend yield (%)	4.20	3.10
Fair value (RoTE)	£1.55/1.61/1.68	£1.91/1.85
Fair value (TSR)	£0.95/1.01/1.06	£1.08/1.04
Fair value (Strategic)	£2.06/2.15/2.24	£2.54/2.46

Awards granted is subject to relative TSR performance measures, the satisfaction of RoTE (subject to a capital underpin) and achievement of a strategic scorecard. The fair value of the TSR component is calculated using the probability of meeting the measures over a three-year performance period, using a Monte Carlo simulation model. The number of shares expected to vest is evaluated at each reporting date, based on the expected performance against the RoTE and strategic measures in the scorecard, to determine the accounting charge.

(d) Upfront Shares Awards (UFSA)

Upfront Shares are awards to the Material Risk Takers (MRTs) who are met specific criteria after assessment and identification process as part of their non-deferred variable compensation for that performance year. Typically, upfront shares are ordinary Standard Chartered PLC shares that are purchased with beneficial ownership transferred to the individual (after any relevant tax deductions or withholdings) through a specified nominee arrangement. Upfront shares awarded to MRTs are subject to a minimum retention period of 12 months from the award date. During this holding period, the upfront shares cannot be sold or transferred.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

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For the years ended December 31, 2024 and 2023, the costs of the UFSA charged to profit or loss were \$1,934 thousand and \$12,165 thousand, respectively, recorded under operating expenses-employee benefits expenses.

(25) Earnings per share

	For the years ended December 31	
	2024	2023
Net income attributable to common stockholders (after tax)	\$5,212,810	\$4,832,764
Common stock (in thousands)	2,910,572	2,910,572
Basic EPS (in dollars)	\$1.79	\$1.66

Since the Company's implementation of share-based payment transactions would proceed by cash settlement, there is no impact on the Company's weighted-average shares of common stock outstanding during the period.

(26) Net interest income

	For the years ended December 31	
	2024	2023
Interest income		
Interest income, discounts and loans	\$9,381,097	\$9,128,545
Interest income, accounts receivable factoring	1,085,675	761,997
Interest income, due from banks	8,376,391	5,170,782
Interest income, investment securities	1,696,503	1,866,042
Interest income, credit card recurrence	123,090	113,280
Interest income, other	3,332,252	1,662,365
Subtotal	23,995,008	18,703,011
Interest expenses		
Interest expenses, deposits	15,307,877	11,691,134
Interest expenses, due to banks	846,772	773,870
Interest expenses, financial debentures	337,750	278,550
Lease liabilities	43,462	44,077
Interest expenses, other	199,274	229,491
Subtotal	16,735,135	13,017,122
Total	\$7,259,873	\$5,685,889

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

(27) Net service fee income

	For the years ended December 31	
	2024	2023
Service fees		
Service fees, loans	\$362,817	\$156,827
Service fees, insurance commissions	3,062,896	2,507,905
Service fees, credit cards	365,620	372,101
Service fees, trusts	2,990,874	2,003,563
Service fees, underwriting	105,148	25,220
Service fees, other	962,481	759,470
Subtotal	7,849,836	5,825,086
Service charges		
Service charges, interbank	169,312	172,468
Service charges, agency	226,691	199,769
Service charges, custodians	179,136	136,167
Service charges, credit cards	189,893	210,168
Service charges, other	766,763	407,294
Subtotal	1,531,795	1,125,866
Total	\$6,318,041	\$4,699,220

(28) Gains (losses) on financial assets or liabilities at fair value through profit or loss

	For the years ended December 31	
	2024	2023
Gains (losses) on disposal		
Interest-rate instruments	\$(1,946)	\$11,855
Derivative financial instruments	4,998,684	12,830,106
Subtotal	4,996,738	12,841,961
Gains (losses) on valuation		
Interest-rate instruments	(27,465)	13,070
Derivative financial instruments	467,684	(7,134,809)
Subtotal	440,219	(7,121,739)
Interest income	106,792	63,524
Total	\$5,543,749	\$5,783,746

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

(29) Realized gains (losses) on financial assets at fair value through other comprehensive income

	For the years ended December 31	
	2024	2023
Dividend income-equity instruments	\$19,507	\$18,878
Losses on sale-debt instruments	(15,072)	(270,705)
Total	<u>\$4,435</u>	<u>\$(251,827)</u>

(30) Net other non-interest income (losses)

	For the years ended December 31	
	2024	2023
Administrative support service income	\$5,509	\$4,820
Net gains on disposal of property and equipment	133,815	208,020
Rental income	3,941	4,350
Net (losses) gains on fair value hedge	(6,636)	110,063
Other	(92,090)	(143,979)
Total	<u>\$44,539</u>	<u>\$183,274</u>

(31) Impairment losses (reversal gains) on assets

	For the years ended December 31	
	2024	2023
Impairment losses (reversal gains) - debt instruments	\$659	\$(1,180)
Impairment (reversal gains) losses - other	(38)	7,559
Total	<u>\$621</u>	<u>\$6,379</u>

(32) Bad debt expenses, commitment and guarantee liability provisions

	For the years ended December 31	
	2024	2023
Bad debt expenses	\$1,530,081	\$1,139,357
(Reversal) provisions of guarantee liabilities	(26,464)	31,562
Reversal of loan commitments	(19,651)	(2,617)
(Reversal) other provisions	(52)	18
Total	<u>\$1,483,914</u>	<u>\$1,168,320</u>

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

(33) Leases

(a) The Company as a lessee

The Company leases various properties, including real estate such as land and buildings, transportation equipment, and other equipment. The lease terms range from 1 to 19 years.

The Company's leases effect on the financial position, financial performance and cash flows were as follows:

i. Amounts recognized in the balance sheets

A. Right-of-use assets

The carrying amount of right-of-use assets

	December 31, 2024	December 31, 2023
Buildings	\$2,235,567	\$2,271,231
Transportation equipment	278	1,945
Other equipment	264,642	2,296
Total	<u>\$2,500,487</u>	<u>\$2,275,472</u>

For the years ended December 31, 2024 and 2023, the Company's additions to right-of-use assets were \$711,132 thousand and \$168,995 thousand, respectively.

B. Lease liabilities

	December 31, 2024	December 31, 2023
Lease liabilities	<u>\$2,649,764</u>	<u>\$2,410,888</u>

Please refer to note 6(26) for the interest expenses on lease liabilities recognized for the years ended December 31, 2024 and 2023 and refer to note 6(37) Disclosure of financial instruments for the maturity analysis of lease liabilities.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

ii. Amounts recognized in the statement of comprehensive income

Depreciation charges for right-of-use assets

	For the years ended December 31	
	2024	2023
Buildings	\$389,032	\$380,024
Transportation equipment	1,667	1,667
Other equipment	15,138	17,075
Total	<u>\$405,837</u>	<u>\$398,766</u>

iii. Income and costs relating to leasing activities

	For the years ended December 31	
	2024	2023
The expenses relating to short-term leases	\$124	\$1,514
The expenses relating to leases of low-value assets (Excluding the expenses relating to short-term leases of low-value assets)	254	342
Income from subleasing right-of-use assets	2,389	2,368

iv. Cash outflows relating to leasing activities

For the years ended December 31, 2024 and 2023, the Company's total cash outflows for leases were \$436,485 thousand and \$413,559 thousand, respectively.

(34) Employee benefits expenses

	For the years ended December 31	
	2024	2023
Salary expenses	\$4,586,279	\$4,395,775
Employee insurance	320,946	320,556
Pension		
Defined contribution plans	160,941	159,924
Defined benefit plans	35,177	30,352
Other	217,949	214,116
Total	<u>\$5,321,292</u>	<u>\$5,120,723</u>

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

In accordance with the Articles of Incorporation, from the profit earned by the Company as shown in the final annual account before tax, 0.01% shall be reserved as employees' remuneration. However, if the Company has an accumulated deficit, it shall be set aside first to compensate the losses.

The accrued employee's remuneration of the Company for the years ended December 31, 2024 and 2023 were \$633 thousand and \$575 thousand, respectively, recorded under operating expenses-employee benefits expenses. There was no difference between actual and estimated distributed bonuses for the years ended December 31, 2024 and 2023. Relevant information can be accessed through Market Observation Post System.

Material difference between estimated amounts and the amounts resolved by the Board of Directors on or before the annual financial statements are authorized for issue are adjusted in the year the compensation was recognized. If there is a change in the resolved amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in accounting estimates and recognized in the following year.

For the years ended December 31, 2024 and 2023, the average number of the Company's employees were 2,375 and 2,511, of which the number of directors who had not served concurrently as employees were all 6.

(35) Depreciation and amortization expenses

	For the years ended December 31	
	2024	2023
Depreciation expenses		
Buildings	\$37,433	\$43,004
Office equipment	38,206	38,355
Leasehold improvements	78,537	71,504
Other equipment	95,391	70,974
Right-of-use assets	405,837	398,766
Subtotal	655,404	622,603
Amortization expenses	1,128	-
Total	\$656,532	\$622,603

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

(36) Other general and administrative expenses

	For the years ended December 31	
	2024	2023
Rental expenses	\$2,348	\$3,551
Office supplies	69,580	73,035
Postage	146,827	150,796
Repairs and maintenance	106,820	116,351
Advertising expenses	151,365	131,288
Utilities fees	59,002	55,090
Taxes	1,006,489	843,890
Professional service fees	107,745	87,107
Operational and advisory service fees	1,120,526	986,452
Consulting and technical support service fees	924,529	815,732
Wholesale banking business service fees	103,469	91,088
Building management fees	120,593	100,332
Computer management fees	354,668	327,964
Director's remuneration	7,081	6,853
Other	434,057	191,511
Total	<u>\$4,715,099</u>	<u>\$3,981,040</u>

(37) Disclosure of financial instruments

(a) Financial instruments measured at fair value

i. Valuation of financial instruments measured at fair value:

A. Financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, financial instruments for hedging and other financial assets-debt instruments: for investment securities that have directly observable market values available, securities are valued using inputs proxied from the same or closely related or inputs proxied from a different underlying. Certain instruments cannot be proxied as set out above, and in such cases the positions are valued using non-market observable inputs. The fair value for such instruments is usually proxied from internal assessments of the underlying cash flows. Equity instruments are evaluated by independent professional departments or external experts.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

- B. Derivative financial assets and liabilities: wherever possible, fair values have been calculated using unadjusted quoted market prices in active markets, the market data used for price may include those sourced from recent trade data involving external counterparties or third parties such as Reuters, Bloomberg, and brokers. Where quoted market prices are not available, fair values have been determined using the prices sources from consensus pricing providers, to the extent possible, use market observable inputs, such as Totem or Markit or similar instruments' prices.
- ii. The Company makes a credit valuation adjustment ("CVA") against derivative products. CVA is an estimate of the adjustment to fair value to account for the possibility that the counterparty may default and the Company would not receive the full market value of the transactions. CVA is determined by applying the counterparty's probability of default to counterparty's loss given default ("LGD") and exposure at default ("EAD"), whereas, debit valuation adjustment ("DVA") is calculated on its derivative liabilities and issued debt designated at fair value, including structured notes. DVA is determined by applying the Company's PD to the Company's negative expected exposure against the counterparty. Collateral held are taken into account for the calculation of CVA and DVA.

Internal model is used to calculate the probability of default ("PD") and the loss given default ("LGD"); whereas exposure at default ("EAD") is on simulation basis. The methodology used to determine DVA on derivative liabilities is consistent with the methodology used to determine counterparty CVA on derivative assets.

- iii. The definition of fair value hierarchy of financial instruments measured at fair value
- A. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Active markets are defined as markets that meet the following criteria: (1) the asset or liability traded in the market have similar attributes; (2) there is a willing buyer and seller for the asset or liability in the market at any given time; (3) price information on the asset or liability can be accessed by the general public.
- B. Level 2 inputs are inputs other than quoted prices in active markets that are observable, including those inputs that can be observed directly (quoted prices) or indirectly (derived from quoted prices) from active markets. For example:

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

- a. The quoted price in similar financial instruments' active market was referred to the fair value of financial instruments held by and based on similar financial instruments' recent quoted prices; the judgment of similar financial instruments should follow the characteristics of the financial instruments and trading conditions. The factors that require the fair value of financial instruments to be adjusted with compatible similar financial instruments which have observable trading prices might include recent financial instruments trading price already have time gap (i.e. has been a while since last trading time), the difference between the financial instruments trading conditions, transaction prices involved with a related party, and the correlation between observable transaction price of similar financial instruments and the price of financial instruments held.
 - b. Quoted prices for identical or similar assets or liabilities in markets those are not active.
 - c. Fair value determined based on a valuation model. Inputs for the model (for example, interest rates, yield curves, volatilities, etc.) can be observed from the market (these observable inputs are obtained from market information, and when they are being used in the model, the resulting valuation for the asset or liability shall represent prices anticipated by the market participants).
 - d. Inputs are derived principally from or corroborated by observable market data by correlation or other means.
- C. Level 3 means to measure the fair value of the input parameters are not based on observable market data (inputs which are unobservable). For example, the option pricing model with historical volatility cannot represent the expectation of future volatility for the overall market participant.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

iv. Fair value hierarchy information of financial instruments measured at fair value

Financial instruments at fair value	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Non-derivative financial instruments				
Assets:				
Financial assets at fair value through profit or loss				
Debt instruments	\$-	\$12,692,152	\$-	\$12,692,152
Financial assets at fair value through other comprehensive income				
Debt instruments	36,496,489	63,278,846	-	99,775,335
Equity instruments	-	-	1,023,909	1,023,909
Other financial assets-net				
Restricted assets-debt instruments	-	11,754,086	-	11,754,086
Derivative financial instruments				
Assets:				
Financial assets at fair value through profit or loss	28,015	48,354,327	-	48,382,342
Financial assets for hedging	-	3,869,842	-	3,869,842
Liabilities:				
Financial liabilities at fair value through profit or loss	33,379	46,123,103	-	46,156,482
Financial liabilities for hedging	-	468,407	-	468,407
Financial instruments at fair value	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Non-derivative financial instruments				
Assets:				
Financial assets at fair value through profit or loss				
Debt instruments	\$-	\$8,398,924	\$-	\$8,398,924
Financial assets at fair value through other comprehensive income				
Debt instruments	32,628,912	92,107,637	-	124,736,549
Equity instruments	-	-	1,087,024	1,087,024
Other financial assets-net				
Restricted assets-debt instruments	-	10,521,438	-	10,521,438
Derivative financial instruments				
Assets:				
Financial assets at fair value through profit or loss	3,541	35,404,784	-	35,408,325
Financial assets for hedging	-	241,921	-	241,921
Liabilities:				
Financial liabilities at fair value through profit or loss	2,552	39,314,270	-	39,316,822
Financial liabilities for hedging	-	570,267	-	570,267

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

- v. For the years ended December 31, 2024 and 2023, the Company did not have any transfer of financial assets measured at fair value between Level 1 and Level 2.
- vi. The table shows the changes for financial assets measured at fair value classified as Level 3:

Name	2024						
	Beginning balance	Profit	Other comprehensive income	Purchased or issued	Transferred to retained earnings	Disposal cost	Ending balance
Financial assets at fair value through other comprehensive income-equity instruments	\$1,087,024	\$-	\$(58,468)	\$-	\$(2,547)	\$(2,100)	\$1,023,909

Name	2023						
	Beginning balance	Profit	Other comprehensive income	Purchased or issued	Transferred to retained earnings	Disposal cost	Ending balance
Financial assets at fair value through other comprehensive income-equity instruments	\$1,147,642	\$-	\$(60,618)	\$-	\$-	\$-	\$1,087,024

- vii. For Level 3 of fair value, the sensitivity analysis of value based on reasonable possible substitution assumption.

The Company's measurement of financial instruments at fair value was reasonable. Only when using different valuation models would the results of the valuations be different.

Level 3 financial instruments the Company invested are non-listed equity investment, and sensitivity analysis was conducted for those equity investments. Below are the valuation techniques and the range of reasonable changes for the material unobservable inputs that the Company applied. The impact to other comprehensive income under this assumption is describe as follows:

Financial instruments at fair value	Fair value changes reflected in profit or loss of the period		Fair value changes reflected on other comprehensive income	
	Beneficial changes		Beneficial changes	
	Adverse changes		Adverse changes	
December 31, 2024				
Financial assets at fair value through other comprehensive income equity instruments	\$-	\$-	\$88,327	\$(69,878)

STANDARD CHARTERED BANK (TAIWAN) LIMITED
Notes to the Financial Statements (Continued)
(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

Financial instruments at fair value	Fair value changes reflected in profit or loss of the period		Fair value changes reflected on other comprehensive income	
	Beneficial changes	Adverse changes	Beneficial changes	Adverse changes
December 31, 2023				
Financial assets at fair value through other comprehensive income equity instruments	\$-	\$-	\$84,793	\$(69,778)

viii. The quantitative information on significant unobservable inputs (Level 3) used in the fair value measurement

December 31, 2024					
Item	Fair value	Valuation technique	Material unobservable inputs	Reasonable change range	Correlation between input and fair value
Financial asset at fair value through other comprehensive income-equity instruments	\$42,902	Net asset value approach	Net asset value	-0.10%~0.10%	The higher the net asset value, the higher the fair value.
	617,500	Market approach	Unlisted marketability discount	14.13%~24.13%	The higher the unlisted marketability discount rate, the lower the fair value.
	319,607	Income approach	Discount rate/ Sustainable growth rate	Discount rate: 8.99%~14.42%	The higher the discount rate, the lower the fair value.
				Sustainable growth rate: -0.20%~1.79%	The higher the sustainable growth rate, the higher the fair value.
	43,900	Asset approach	Unlisted marketability discount	18.61%~19.61%	The higher the unlisted marketability discount rate, the lower the fair value.
December 31, 2023					
Item	Fair value	Valuation technique	Material unobservable inputs	Reasonable change range	Correlation between input and fair value
Financial asset at fair value through other comprehensive income-equity instruments	\$47,431	Net asset value approach	Net asset value	-0.10%~0.10%	The higher the net asset value, the higher the fair value.
	741,813	Market approach	Unlisted marketability discount	2.51%~12.51%	The higher the unlisted marketability discount rate, the lower the fair value.
	254,580	Income approach	Discount rate/ Sustainable growth rate	Discount rate: 8.75%~14.39%	The higher the discount rate, the lower the fair value.
				Sustainable growth rate: -0.20%~1.73%	The higher the sustainable growth rate, the higher the fair value.
	43,200	Asset approach	Unlisted marketability discount	15.43%~25.43%	The higher the unlisted marketability discount rate, the lower the fair value.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

ix. The valuation procedure to fair value attributed to Level 3

The level 3 of fair value from financial instruments of the Company was valued by the independent departments and external specialists. Appropriate valuation methods are applied according to the underlying characteristics and data collections. The applied valuation model and related inputs are in accordance with that of the market and the basic principles that the industry approves. The Company checks the valuation model on a periodic basis. When necessary, the Company will calibrate and adjust accordingly to ensure the reasonableness of the valuation results, and that they are in line with the market condition.

(b) Financial instruments measured at amortized cost

i. Valuation of financial instruments measured at amortized cost:

- A. Non-derivative short-term financial assets and liabilities with short maturity dates, including cash and cash equivalents, receivables-net, payables, related parties payable and other financial liabilities, the fair values are the amounts those carried.
- B. Due from the Central Bank and call loans to banks, funds borrowed from the Central Bank and banks and deposits from the Central Bank and banks: the fair value of floating rate placements and borrowings and overnight deposits is their carrying amounts. The estimated fair value of fixed interest-bearing deposits or interest earning loans is based on discounted cash flows using the prevailing money market rates for debts with a similar credit risk and remaining maturity.
- C. Debt instrument investments measured at amortized cost: for debt instruments that have direct observable market values, market values were used as fair values; for debt instruments that do not have direct observable market values, fair values were measured via valuation technique.
- D. Securities purchased under resell agreements and debt instruments: for securities that have direct observable market values, market values were used as fair values; for securities that do not have direct observable market values, fair values were measured via valuation technique.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

E. Discounts and loans-net: discounts and loans are presented net of provisions for impairment. The fair value of discounts and loans to customers with a residual maturity of less than one year generally approximates the carrying value. The estimated fair value with a residual maturity of more than one year represents the discounted amount of future cash flows expected to be received, including assumptions relating to prepayment rates. Expected cash flows are discounted at current market rates or secondary syndication market prices to determine fair value.

F. Deposits and remittances: the estimated fair value of deposits and remittances with no stated maturity and floating rate deposits is the amount repayable on demand. The estimated fair value of fixed interest-bearing deposits is based on discounting cash flows using the prevailing market rates with a similar credit risk and remaining maturity.

G. Financial debentures payable-net: the aggregate fair values are calculated based on quoted market prices. For those notes which quoted market prices are not available, a discounted cash flow model is used based on a current market related yield curve appropriate for the remaining term to maturity. The fair value of subordinated debt is estimated based on its book value on the balance sheet.

ii. Fair value of financial instruments measured at amortized cost

Financial assets	December 31, 2024	
	Book value	Fair value
Cash and cash equivalents	\$17,266,962	\$17,273,818
Due from the Central Bank and call loans to banks	179,861,570	179,894,686
Debt instrument investments measured at amortized cost	16,000,345	15,975,980
Securities and bonds purchased under resell agreements	34,049,761	34,052,042
Receivables-net	33,742,493	33,742,493
Discounts and loans-net	306,246,055	304,157,493

Financial assets	December 31, 2023	
	Book value	Fair value
Cash and cash equivalents	\$16,057,392	\$16,063,759
Due from the Central Bank and call loans to banks	158,131,533	158,168,801
Debt instrument investments measured at amortized cost	10,078,082	10,069,934
Securities and bonds purchased under resell agreements	21,390,034	21,355,115
Receivables-net	31,160,835	31,160,835
Discounts and loans-net	286,059,393	285,964,312

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Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

Financial liabilities	December 31, 2024	
	Book value	Fair value
Deposits from the Central Bank and banks	\$12,951,795	\$12,951,795
Payables	4,652,265	4,652,265
Related parties payable	5,089,140	5,089,140
Deposits and remittances	634,513,218	631,976,480
Financial debentures	9,842,920	9,842,920

Financial liabilities	December 31, 2023	
	Book value	Fair value
Deposits from the Central Bank and banks	\$1,258,030	\$1,258,030
Payables	3,264,516	3,264,516
Related parties payable	5,962,550	5,962,550
Deposits and remittances	600,463,448	598,489,153
Financial debentures	6,151,350	6,151,350
Other financial liabilities	15,373	15,373

iii. Fair value hierarchy information of financial instruments measured at amortized cost:

Financial instruments measured at amortized cost	December 31, 2024				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Assets:					
Cash and cash equivalents	\$17,266,962	\$-	\$17,273,818	\$-	\$17,273,818
Due from the Central Bank and call loans to banks	179,861,570	-	179,894,686	-	179,894,686
Debt instrument investments measured at amortized cost	16,000,345	-	15,975,980	-	15,975,980
Securities and bonds purchased under resell agreements	34,049,761	-	34,052,042	-	34,052,042
Receivables-net	33,742,493	-	33,742,493	-	33,742,493
Discounts and loans-net	306,246,055	-	-	304,157,493	304,157,493
Liabilities:					
Deposits from the Central Bank and banks	12,951,795	-	12,951,795	-	12,951,795
Payables	4,652,265	-	4,652,265	-	4,652,265
Related parties payable	5,089,140	-	5,089,140	-	5,089,140
Deposits and remittances	634,513,218	-	631,976,480	-	631,976,480
Financial debentures	9,842,920	-	9,842,920	-	9,842,920

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Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

	December 31, 2023				
Financial instruments measured at amortized cost	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Assets:					
Cash and cash equivalents	\$16,057,392	\$-	\$16,063,759	\$-	\$16,063,759
Due from the Central Bank and call loans to banks	158,131,533	-	158,168,801	-	158,168,801
Debt instrument investments measured at amortized cost	10,078,082	-	10,069,934	-	10,069,934
Securities and bonds purchased under resell agreements	21,390,034	-	21,355,115	-	21,355,115
Receivables-net	31,160,835	-	31,160,835	-	31,160,835
Discounts and loans-net	286,059,393	-	-	285,964,312	285,964,312
Liabilities:					
Deposits from the Central Bank and banks	1,258,030	-	1,258,030	-	1,258,030
Payables	3,264,516	-	3,264,516	-	3,264,516
Related parties payable	5,962,550	-	5,962,550	-	5,962,550
Deposits and remittances	600,463,448	-	598,489,153	-	598,489,153
Financial debentures	6,151,350	-	6,151,350	-	6,151,350
Other financial liabilities	15,373	-	15,373	-	15,373

(c) Information on financial risk

The Company's risk management framework encompasses servicing client interests and fulfilling long term operation goals while keeping overall risk tolerance and compliance to local regulations. This framework serves to diversify or transfer risk in an effective manner, benefiting not only our customers and shareholders but ourselves as well. The Company encounters credit risk, operational risk, market risk (interest rate, exchange rate, equity, and commodity), and liquidity risk both on and off the balance sheets in our day-to-day operations.

The Company has formulated both the risk management policies and operation procedures into structured operation manuals, which have been approved by the Board of Directors. These manuals set out a clear guidance on distinguishing, measuring, monitoring, and managing credit risk, operational risk, market risk, and liquidity risk.

STANDARD CHARTERED BANK (TAIWAN) LIMITED
Notes to the Financial Statements (Continued)
(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

i. Market risk

A. Strategy and procedure of market risk management

The Company recognizes market risk as loss resulting from changes in market prices and rates. The Company is exposed to market risk arising principally from customer-driven transactions. The objective of the Company's market risk policies and processes is to obtain the best balance of risk and return while meeting customers' requirements.

B. Market risk management organization and structure

The department, Market Risk Taiwan, follows the regulatory requirements of the Taiwan Financial Supervisory Commission to develop the market risk management policies and procedures, which include the banking books and trading books. The market risk policies, procedures and limits are annually reviewed by the department and are in line with the guidance of Group Market Risk Committee.

Market risk limits are proposed by the business within the terms of the agreed policies. Limits are presented to the Executive Risk Committee or delegated manager for approval with its authority delegated by the Board. The risk appetite requires approval from the Board.

The department monitors exposures against these limits on a daily basis. Related market risk management results are reported to the Executive Risk Committee at a minimum on a quarterly basis.

The Company also receives strong support from SCB regional and group business and market risk management functions based outside of Taiwan.

C. The scope and characteristics of market risk report and evaluation system

The scope of market risk report produced by Market Risk Taiwan covers market exposures in both trading book and banking book. The primary categories of market risk for the Company are interest rate risk and currency exchange rate risk linked to trading products in financial markets, as the Company has not held any risk exposures relating to commodities price risk or equity price risk.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

The Company measures the risk of losses arising from future potential adverse movements in market rates, prices and volatilities using a Value at Risk (“VaR”) methodology. VaR, in general, is a quantitative measure of market risk which applies recent historical market conditions to estimate the potential future loss in market value that will not be exceeded in a set time period at a set statistical confidence level.

The table below lists the market risk (such as exchange rate or interest rate) of financial instruments of the Company. Market risk represents potential losses that the Company may suffer in one day when unfavorable changes occur on the Company’s position at a 97.5% confidence interval under a certain price probability distribution.

	For the years ended December 31					
	2024			2023		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Trading book VaR	\$13,733	\$56,465	\$6,872	\$16,311	\$29,985	\$10,236
Banking book-	23,079	31,716	17,804	47,533	68,482	14,737
fair value VaR						
Total VaR	28,846	56,313	20,289	50,191	70,828	23,608

Losses beyond the confidence interval are not captured by a VaR calculation, which therefore gives no indication of the size of unexpected losses in these situations. The Company complements the VaR measurement by stress testing of market risk exposures to highlight the potential risk that may arise from extreme market events that are rare but plausible. Stress testing is an integral part of the market risk management framework and considers both historical market events and forward looking scenarios. Stress testing is applied to trading and banking books fair value portfolios, respectively.

D. Policies for market risk hedge/mitigation, as well as the strategy and procedure for maintaining efficiency in risk hedge/mitigation tools

Market risk is mitigated by the Company’s standard process as risk is measured, monitored, reported and controlled on a portfolio basis.

Market risk policies, procedures and limits are annually reviewed by Market Risk Taiwan with approval by the delegated authority. The Traded Risk Type Framework is presented to the Board for approval.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

All products used in risk mitigation must be authorized products in their own right with appropriate product programs.

Any product a business uses for risk mitigation must be explicitly referenced in the market risk limit for the business.

E. Method used for regulatory capital calculation

Standardized Approach/Delta-Plus for Options.

F. Exchange rate risk exposure information

The significant exposure to foreign currency exchange rates was as follows:

	December 31, 2024		
	Foreign currency	Exchange rate	NTD
Long position			
USD	\$29,072,855	32.802	\$953,659,424
CNY	24,404,828	4.569	111,509,137
EUR	202,818	34.130	6,922,168
GBP	61,055	41.163	2,513,172
HKD	178,135	4.224	752,527
Short position			
USD	29,104,166	32.802	954,686,502
CNY	24,397,156	4.569	111,474,084
EUR	203,635	34.130	6,950,035
GBP	60,644	41.163	2,496,282
HKD	161,684	4.224	683,028
	December 31, 2023		
	Foreign currency	Exchange rate	NTD
Long position			
USD	\$5,360,340	30.746	\$164,807,687
CNY	18,543,598	4.341	80,497,103
EUR	324,993	34.043	11,063,856
GBP	109,166	39.202	4,279,549
HKD	99,676	3.937	392,434
Short position			
USD	5,348,336	30.746	164,438,604
CNY	18,464,002	4.341	80,151,577
EUR	326,044	34.043	11,099,645
GBP	108,565	39.202	4,255,994
HKD	88,916	3.937	350,072

STANDARD CHARTERED BANK (TAIWAN) LIMITED
Notes to the Financial Statements (Continued)
(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

G. Interest rate sensitivity information

a. Interest rate sensitivity analysis (NTD)

December 31, 2024

Item	Day 1 to 90 days	Day 91 to 180 days	Day 181 to 1 year	Over 1 year	Total
Interest rate sensitive assets	\$407,491,668	\$12,843,250	\$18,570,921	\$46,887,479	\$485,793,318
Interest rate sensitive liabilities	308,760,796	29,188,271	38,778,812	3,009,658	379,737,537
Interest rate sensitive gap	98,730,872	(16,345,021)	(20,207,891)	43,877,821	106,055,781
Net worth					51,770,860
Ratio of interest rate sensitive assets to liabilities (%)					127.93
Ratio of interest rate sensitive gap to net worth (%)					204.86

December 31, 2023

Item	Day 1 to 90 days	Day 91 to 180 days	Day 181 to 1 year	Over 1 year	Total
Interest rate sensitive assets	\$374,607,853	\$7,305,187	\$35,256,034	\$28,294,459	\$445,463,533
Interest rate sensitive liabilities	290,952,057	21,232,757	27,507,654	8,074,428	347,766,896
Interest rate sensitive gap	83,655,796	(13,927,570)	7,748,380	20,220,031	97,696,637
Net worth					49,621,312
Ratio of interest rate sensitive assets to liabilities (%)					128.09
Ratio of interest rate sensitive gap to net worth (%)					196.88

b. Interest rate sensitivity analysis (USD)

December 31, 2024

Units: in thousands of US Dollars

Item	Day 1 to 90 days	Day 91 to 180 days	Day 181 to 1 year	Over 1 year	Total
Interest rate sensitive assets	\$5,635,597	\$1,049,506	\$2,278,447	\$209,052	\$9,172,602
Interest rate sensitive liabilities	8,783,725	1,346,085	961,680	300,122	11,391,612
Interest rate sensitive gap	(3,148,128)	(296,579)	1,316,767	(91,070)	(2,219,010)
Net worth					22,782
Ratio of interest rate sensitive assets to liabilities (%)					80.52
Ratio of interest rate sensitive gap to net worth (%)					(9,740.19)

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Notes to the Financial Statements (Continued)
(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

December 31, 2023

Units: in thousands of US Dollars

Item	Day 1 to 90 days	Day 91 to 180 days	Day 181 to 1 year	Over 1 year	Total
Interest rate sensitive assets	\$4,139,346	\$381,508	\$1,245,334	\$233,107	\$5,999,295
Interest rate sensitive liabilities	6,287,042	1,528,752	918,303	365,505	9,099,602
Interest rate sensitive gap	(2,147,696)	(1,147,244)	327,031	(132,398)	(3,100,307)
Net worth					31,636
Ratio of interest rate sensitive assets to liabilities (%)					65.93
Ratio of interest rate sensitive gap to net worth (%)					(9,799.93)

ii. Operational risk

A. Strategy and procedure of operational risk management

The Company has set up and follows the Operational and Technology Risk Type Framework (“O&T RTF”) for operational risk management. The O&T RTF builds on Enterprise Risk Management Framework (“ERMF”) and covers the operational risk related to inadequate or failed internal processes, technology events, human errors, or from the impact of external events (including legal risks). According to the O&T RTF, operational risks should be managed through the Risk and Control Self-Assessment (“RCSA”) cycle, which includes the following stages: Process Universe, Risk Identification, Inherent Risk Assessment, Control Design and Assessment, Risk and Control Monitoring, Residual Risk Assessment, Response and Reporting. Responsibility for the management of operational risk rests with businesses and functions. O&T RTF sets out the respective responsibilities of the Three Lines of Defense.

B. Operational risk management organization and structure

Governance over operational risk management is achieved through a defined structure of committees.

The Executive Risk Committee (“ERC”) is designed to oversee and to challenge the effectiveness of risk management and control. They may also be authorized to take certain risk acceptance and control decisions which are outside the authority of individual managers. The ERC oversees the management of operational risks at the country level and ensures that an appropriate and robust risk management framework is in place to monitor and manage operational risk. Its scope includes all client segments, products and functions.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

The Company also receives strong support from SCB regional and group business and operational risk management functions based outside of Taiwan.

C. The scope and characteristics of operational risk report and evaluation system

According to O&T RTF, the First line of Defense (“1LoD”) is required to comply with the applicable laws and regulatory expectations, and manage the risk that arises from first line activities, and comply with policies set by the Second Line of Defense (“2LoD”). The 2LoD is responsible to provide challenge, guidance, and oversight over the 1LoD, set policies that the 1LoD must adhere to, assess the overall risk levels relating to Operational Risk sub-types, and to confirm the effectiveness of their policies to the Country Head of OR.

The operational risk subtypes include transaction processing, product management, client service resilience, technology risk, change management, people management, safety and security, corporate governance, enterprise risk governance, financial books and records, financial regulatory reporting, tax obligations, and legal enforceability.

The 1LoD defines monitors, i.e. Key Control Indicators (“KCIIs”) and Control Sample Tests (“CSTs”), and sets benchmark thresholds for Key Control Indicators. Group Internal Audit acts as the Third Line of Defence (“3LoD”), independently assessing whether the First and Second Line controls and risk management processes are effective.

D. Policies for operational risk hedge/mitigation, as well as the strategy and procedure for maintaining efficiency in risk hedge/mitigation tools

The Company conducts its risk identification and assessment (including loss incidents and self-assessment) in accordance with the O&T RTF. The identified risk shall be escalated to the authority defined in O&T RTF for risk monitoring by the management.

Risk management information shall at least include: detailed information of operational risk exposure, risk ratings (including impact and likelihood ratings), risk and mitigation action ownership, target date for reducing risk exposure within appetite. Risk management information must also ensure data quality by verified and monitored data source.

STANDARD CHARTERED BANK (TAIWAN) LIMITED
Notes to the Financial Statements (Continued)
(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

E. Method used for regulatory capital calculation

Basic Indicator Approach.

iii. Compliance and legal risk

Compliance and legal risks arise from the possibility that an entity may not be able to comply with laws or regulations, and a contract or legal documentation may likely cause loss due to illegality, incompleteness or unfairness, which results in a regulations breach or disputes. The Conduct, Financial Crime and Compliance Department of the Company is responsible for taking charge of the planning, management, and execution of the regulatory compliance system. And as the designated department in charge of the planning, implementation and supervision of each department's executions for Treating Customers Fairly Principles, also including Money laundering, terrorist financing, and financial crime supervision, such as the planning and implementation of policies and procedures for identifying, assessing and monitoring money laundering and terrorist financing risks, and coordinating and supervising the implementation of the company-wide Anti-Money Laundering and Counter Terrorist Financing risk identification and assessment. The Legal Department of the Company is responsible for providing advisory services to legal aspects of transaction documents including legality and enforceability of such transaction documents. The two departments together are to make sure that the financial structure and operations of the Company follows relevant regulatory compliance and legal matters.

iv. Credit risk management

A. Credit risk strategy, goal, policy and standard

The management of risk lies at the heart of the Company's business. One of the main risks we incur arises from extending credit to customers through our trading and lending operations.

Effective risk management is fundamental to being able to generate profits continuously and sustainably and is thus a central part of the financial and operational management of the Company.

a. Strategy and Goal

Through our enterprise risk management framework ("ERMF"), we manage enterprise-wide risks with the objective of optimizing risk-adjusted returns while remaining within our risk appetite.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

Under the ERMF, we use a set of principles that describe the risk management culture we wish to sustain:

- Balancing risk and return: A sustainable franchise is built by managing the overall risks and in the interest of all the stakeholders; risks that the Company is taken are consistent with the approved strategy and within the Company's risk tolerances and risk appetite. The Company manages the risk profile to maintain a low probability of an unexpected loss event that would materially undermine the confidence of the investors;
- Conduct of business: The Company demonstrate the 'Here for Good' through the conduct. The Company seeks to achieve good outcomes for clients and investors in the markets which the Company operates, while abiding by the relevant laws and regulations. The Company treats all colleagues fairly and with respect;
- Responsibility and accountability: The Company takes individual responsibility to ensure risk-taking is disciplined and focused, particularly within our area of authority. The Company makes sure risk taking is transparent, controlled and reported within risk appetite;
- Anticipation: The Company seeks to anticipate material future risks, learn lessons from events that have produced adverse outcomes and ensure awareness of known risks; and
- Competitive advantage: The Company seeks competitive advantage through efficient and effective risk management and control.

b. Policies and standards

The credit policies and standards are considered and approved by the Board, which also oversees the delegation of credit approval and loan impairment provisioning authorities. Policies and standards that are specific to each business are established. These are consistent with the Group-wide credit policies, but are more detailed and adapted to reflect the different risk environments and portfolio characteristics.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

B. Credit risk management organization and structure

Ultimate responsibility for the effective management of risk rests with the Company Board. The Executive Risk Committee, through its authority delegated by the Board, is directly responsible for the management of credit risk.

The management of credit risk includes approving standards (and policies) for the measurement and management of credit risk, approval of delegated approval authority framework and responsibilities to sub-committees and to Risk Officers. The Risk function is independent of the origination, trading and sales functions to ensure that the necessary balance in risk/return decisions is not compromised. The Board receives regular reports on risk management and is authorized to investigate or seek any information relating to an activity within its term of reference.

Internal Audit is an independent function that reports to the Board. It provides assurance that policies and procedures are being complied with. The findings and recommended corrective actions from the audits are reported to all relevant management and governance bodies.

C. The scope and characteristics of credit risk report and evaluation system

Risk measurement plays a central role, along with judgment and experience, in informing risk-taking and portfolio management decisions.

Various risk measurement systems are available to the Risk function to enable them to assess and manage the credit portfolio. These include systems to calculate probability of default (“PD”), loss given default (“LGD”) and exposure at default (“EAD”) on a transaction, counterparty and portfolio basis.

A number of internal risk management reports are produced on a regular basis, providing information such as individual counterparty, counterparty group, portfolio exposure, credit grade migration, the status of accounts or portfolios showing signs of weakness or financial deterioration, models performance and updates on credit markets.

The Company regularly monitors credit exposures, portfolio performance, and external trends which may impact risk management outcomes. Internal risk management reports are presented to risk committees, containing information on key environmental, political and economic trends across major portfolios and countries, portfolio delinquency and loan impairment performance.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

D. Standards for credit risk hedge and mitigation, as well as the strategy and procedure for maintaining efficiency in risk hedge and mitigation tools

Potential credit losses from any given accounts, customers or portfolios are mitigated using a range of tools such as collateral, netting agreements, credit insurance, credit derivatives and other guarantees. The reliance that can be placed on these mitigates is carefully assessed in light of potential issues such as legal certainty and enforceability, market valuation correlation and counterparty risk of the guarantor.

Risk mitigation standards determine the eligibility of collateral types. Collateral types which are eligible for risk mitigation include: cash, residential, commercial and industrial property; fixed assets such as motor vehicles, aircrafts, plants and machineries, marketable securities, commodities, bank guarantees and letters of credit. The Company also enters into collateralized reverse repurchase agreements.

Where guarantees or credit derivatives are used as Credit Risk Mitigation (“CRM”), the creditworthiness is assessed and established using the credit approval process in addition to that of the obligor or main counterparty.

Collateral is valued in accordance with the CRM, which prescribes the frequency of valuation for different collateral types, based on the level of price volatility of each type of collateral and the nature of the underlying product or risk exposure. Collateral held against impaired loans is maintained at fair value.

Certain credit exposures, e.g. non-recourse receivable service, are mitigated using credit default insurance.

Bilateral and multilateral netting agreements are used to reduce settlement counterparty risk. Settlement exposures are generally netted using bilateral netting documentation in legally approved jurisdictions, Delivery vs. Payment or Payment vs. Payment systems.

E. Method used for regulatory capital calculation

Standardized Approach.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

F. Maximum exposure to credit risk

Without taking collateral or other credit enhancement mitigation effects into account, the maximum exposure to credit risk of on-balance-sheet financial assets are equal to their carrying values. Maximum exposures of financial instruments (without taking collateral or other credit enhancement, and irrevocable maximum exposure) were as follows:

Off-balance-sheet items	Maximum exposure to credit risk	
	December 31, 2024	December 31, 2023
Other guarantees	\$7,621,095	\$10,276,860
Unused amount of irrevocable loan commitments	14,670,932	6,292,069
Unused amount of irrevocable letters of credit	917,060	783,507
Total	<u>\$23,209,087</u>	<u>\$17,352,436</u>

Due to the Company's use of a stricter selection process for credit risk followed by subsequent periodic review, the Company's management assessed a more sustainable control to minimize the Company's off-balance-sheet items for credit risk.

G. Concentrations of credit risk

Financial instruments counterparties are significantly concentrated onto one person or multiple people. Concentration of credit risk exists if a number of counterparties are engaged in similar activities, activities in the same region, or have similar economic characteristics that would cause their abilities to meet contractual obligations to be similarly affected by changes in economic or other conditions.

The Company's concentration of credit risk is derived from assets, liabilities, off-balance sheets items, compliance or enforcement by transactions (regardless of the product or service), or arises from a combination of categories including credit, due from banks and call loans to banks, portfolio investments, and other receivables and derivatives. The Company currently has no concentration of transaction to a single counterparty nor a single transaction with a counterparty for the Company's discounts and loans, and non-performing loans that are significant. The following table illustrates the diversification of the loan portfolio among industry sectors, geographical regions and collateral types of the Company:

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Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

a. By industry

	December 31, 2024	December 31, 2023
Individual	\$258,603,193	\$229,322,384
Manufacturing	21,114,681	31,294,312
Transportation and warehousing	5,529,867	6,015,033
Financial industry	4,294,898	6,786,592
Commercial	3,418,733	2,806,094
Other	18,556,898	14,663,989
Total	<u>\$311,518,270</u>	<u>\$290,888,404</u>

b. By area

	December 31, 2024	December 31, 2023
Domestic	\$295,078,750	\$273,819,550
Overseas	16,439,520	17,068,854
Total	<u>\$311,518,270</u>	<u>\$290,888,404</u>

c. By collateral

	December 31, 2024	December 31, 2023
Unsecured	\$79,666,601	\$85,460,319
Secured		
- Real estate	224,191,688	197,024,037
- Movable assets	4,544,599	5,628,723
- Debt instruments	2,869,826	1,825,347
- Other	245,556	949,978
Total	<u>\$311,518,270</u>	<u>\$290,888,404</u>

H. Credit quality and impairment analysis on financial assets

The main criteria for identifying significant increase in credit risk since initial recognition are as follows:

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Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

- a. Internal/external risk rating of credit extensions at the reporting date deteriorates significantly compared to that at the initial recognition date.
- b. Significant change in the probability of default over the lifetime since origination.
- c. Borrowers that fail to make payment and are past due over 30 days.
- d. Borrowers that have outstanding amounts unpaid, past maturity dates and are overdue for the agreed grace period.
- e. Borrowers that have significant deterioration in ability to repay and face the compulsory enforcement, debt restructuring or legal action.
- f. Borrowers that have been placed as Early Alert – Non-Purely Precautionary (EA-NPP) are concluded by Credit Issue Committee (CIC) to have fundamental deterioration in creditworthiness which requires closer scrutiny and monitoring.

Definitions of default and credit impaired financial assets:

An account is in default when the borrower fails to make payments and account is over 90 days past due.

Besides, if there is objective evidence that borrower cannot make payments or there is evidence that borrower is in financial difficulty, the account can be considered as impaired:

- a. Borrower is deceased.
- b. Borrower has declared bankruptcy or may declare bankruptcy or financial restructuring.
- c. Enterprise has been temporarily suspended.
- d. Borrower has applied for debt restructuring program (including internal or government programs) due to financial difficulty.

Consideration factors of forward-looking information:

To determine if there has either been a significant increase in credit risk post deal origination and to assess expected credit loss (ECL) for financial assets, the Company adopts a forward looking approach to generate multiple macroeconomic scenarios to ensure that ECL has been evaluated in a range of possible outcomes.

The Company applies historical data to analyze and to identify key macroeconomic variables, such as real GDP, import and export values, consumer price index, and unemployment rate, that will have critical impact on the portfolio's credit performance as well as credit expected loss.

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Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

The Company generates base macroeconomic scenario by obtaining the forecasts of exchange rates, GDP and inflation rates from the economic research team. Moreover, to incorporate the non-linearity of ECL as well as to increase the visibility of macroeconomic forecasts, multiple macroeconomic scenarios are generated via Monte Carlo simulation, and the weighted average result of multiple scenario outcomes is applied to evaluate against the criteria of significant increase in credit risk and as well as to estimate ECL.

Some of the financial assets held by the Company, such as cash and cash equivalents, due from the Central Bank and call loans to banks, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, derivative financial assets for hedging, and securities purchased under resell agreements and debt instruments are excluded from this analysis since the counterparty is normally with good credit quality and can be considered as low credit risk. Below tables provide the credit quality analysis for other financial assets.

(i) Credit quality analysis

	December 31, 2024											
	Stage 1				Stage 2				Stage 3			
	Sub-				Sub-							
	Investment	investment	High risk		Investment	investment	High risk		Individually	Collectively	Allowance	
	grade	grade	grade	Subtotal	grade	grade	grade	Subtotal	impaired	impaired	of bad debt	Total
Balance sheet items												
Accounts receivable												
-Accounts receivable												
factoring	\$20,766,022	\$3,980,145	\$-	\$24,746,167	\$145,155	\$-	\$-	\$145,155	\$-	\$-	\$348,913	\$24,542,409
-Credit cards receivable	1,703,715	1,436,470	12	3,140,197	-	8,829	4,302	13,131	48,706	143,606	71,638	3,274,002
Discounts and loans												
-Consumer banking	209,643,537	42,541,837	1,884,400	254,069,774	134,944	601,689	1,376,009	2,112,642	337,024	2,081,816	4,479,351	254,121,905
-Wholesale banking	38,744,546	12,503,465	-	51,248,011	969,653	432,769	543	1,402,965	10,627	105,928	991,548	51,775,983
-Non-accrual loans	-	-	-	-	-	-	-	-	22,390	127,093	22,390	127,093
Other financial assets												
-Non-accrual loans other												
than those reclassified												
form loans	-	-	-	-	-	-	-	-	7,335	-	7,335	-
Off-balance sheet items												
Loan commitments and												
guarantees	10,400,450	5,032,429	-	15,432,879	7,289,714	486,494	-	7,776,208	-	-	86,591	23,122,496

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Notes to the Financial Statements (Continued)
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	December 31, 2023											
	Stage 1				Stage 2				Stage 3			
	Sub-				Sub-							
	Investment	investment	High risk		Investment	investment	High risk		Individually	Collectively	Allowance	
	grade	grade	grade	Subtotal	grade	grade	grade	Subtotal	impaired	impaired	of bad debt	Total
Balance sheet items												
Accounts receivable												
-Accounts receivable												
factoring	\$11,798,578	\$11,961,839	\$-	\$23,760,417	\$248,697	\$-	\$-	\$248,697	\$-	\$-	\$244,091	\$23,765,023
-Credit cards receivable	1,753,611	1,387,477	86	3,141,174	23	9,770	3,997	13,790	59,251	166,086	100,963	3,279,338
Discounts and loans												
-Consumer banking	185,692,000	35,781,765	2,526,343	224,000,108	144,007	1,483,203	1,388,587	3,015,797	316,758	2,084,388	4,020,482	225,396,569
-Wholesale banking	43,931,328	15,786,959	-	59,718,287	995,865	474,251	1,644	1,471,760	68,934	127,402	1,127,532	60,258,851
-Non-accrual loans	-	-	-	-	-	-	-	-	16,579	68,391	16,579	68,391
Other financial assets												
-Non-accrual loans other												
than those reclassified												
form loans	-	-	-	-	-	-	-	-	7,082	-	7,082	-
Off-balance sheet items												
Loan commitments and												
guarantees	11,990,971	5,120,230	-	17,111,201	1,744	239,491	-	241,235	-	-	132,530	17,219,906

I. Asset quality of non-performing loans and overdue receivables

a. Asset quality of the Company

Period Product			December 31, 2024				
			Non-performing loans	Loan balances	NPL ratio	Allowance for bad debts	Coverage ratio
Wholesale Banking	Secured		\$72,119	\$3,885,327	1.86%	\$84,641	117.36%
	Unsecured		18,460	48,955,151	0.04%	926,697	5,020.03%
Consumer Banking	Mortgage		91,676	175,885,110	0.05%	2,680,452	2,923.83%
	Personal loan		281,748	36,782,540	0.77%	1,794,894	637.06%
	Others	Secured	20,159	45,321,261	0.04%	5,306	26.32%
		Unsecured	-	688,881	-%	1,299	-%
Total			484,162	311,518,270	0.16%	5,493,289	1,134.60%
			Overdue receivables	Accounts receivable	Overdue ratio	Allowance for bad debts	Coverage ratio
Credit card			9,270	3,345,640	0.28%	71,638	772.79%
Factoring loan receivable without recourse			-	24,891,322	-%	348,913	-%

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Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

Period Product			December 31, 2023				
			Non-performing loans	Loan balances	NPL ratio	Allowance for bad debts	Coverage ratio
Wholesale	Secured		\$76,717	\$5,547,413	1.38%	\$96,751	126.11%
Banking	Unsecured		21,970	55,897,298	0.04%	1,047,257	4,766.76%
Consumer	Mortgage		64,193	157,335,332	0.04%	2,395,163	3,731.19%
	Personal loan		241,114	35,726,315	0.67%	1,618,374	671.21%
Banking	Others	Secured	14,470	35,537,222	0.04%	5,119	35.38%
		Unsecured	-	844,824	-%	1,929	-%
Total			418,464	290,888,404	0.14%	5,164,593	1,234.18%
			Overdue receivables	Accounts receivable	Overdue ratio	Allowance for bad debts	Coverage ratio
Credit card			7,328	3,380,301	0.22%	100,963	1,377.77%
Factoring loan receivable without recourse			-	24,009,114	-%	244,091	-%

The information below shows that may be exempted from reporting as overdue loans and overdue receivables.

	December 31, 2024		December 31, 2023	
	Loans that may be exempted from reporting as overdue loans	Receivables that may be exempted from reporting as overdue receivables	Loans that may be exempted from reporting as overdue loans	Receivables that may be exempted from reporting as overdue receivables
The amount under inter-bank debt relief program without default by debtors	\$513	\$985	\$903	\$2,012
The amount under debt discharge program and rehabilitation program without default by debtors	96,636	11,958	115,164	14,577
	<u>\$97,149</u>	<u>\$12,943</u>	<u>\$116,067</u>	<u>\$16,589</u>

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Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

b. Concentration of corporate credit risk for the Company

December 31, 2024				
Rank	Industry classification of group enterprise		Outstanding credit	% of net assets
1	A Group	Packaging and testing of semi- conductors	\$6,104,236	11.63%
2	B Company	Other service activities incidental to water transportation	4,525,000	8.62%
3	C Company	Electricity transmission and distribution enterprise	3,711,017	7.07%
4	D Group	Manufacture of automobile parts	2,900,217	5.53%
5	E Group	Electronic parts and components manufacturing not elsewhere classified	2,532,526	4.83%
6	F Group	Electronic parts and components manufacturing not elsewhere classified	2,050,000	3.91%
7	G Company	Real estate development activities	2,033,436	3.87%
8	H Group	Manufacture of footwear	1,949,300	3.71%
9	I Company	Electronic parts and components manufacturing not elsewhere classified	1,900,000	3.62%
10	J Company	Retail sale via mail order houses or via internet	1,776,966	3.39%

December 31, 2023				
Rank	Industry classification of group enterprise		Outstanding credit	% of net assets
1	A Group	Packaging and testing of semi- conductors	\$5,528,676	10.92%
2	B Company	Other service activities incidental to water transportation	4,825,000	9.53%
3	E Group	Electronic parts and components manufacturing not elsewhere classified	4,666,376	9.22%
4	C Company	Electricity transmission and distribution enterprise	3,967,312	7.84%
5	D Group	Manufacture of automobile parts	2,952,189	5.83%
6	K Company	Electronic parts and components manufacturing not elsewhere classified	2,859,355	5.65%
7	F Group	Electronic parts and components manufacturing not elsewhere classified	2,272,373	4.49%
8	L Group	Manufacture of cement	2,100,000	4.15%
9	M Company	Food manufacturing not elsewhere classified	2,021,705	3.99%
10	N Company	Electronic parts and components manufacturing not elsewhere classified	2,000,000	3.95%

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

Note: The above listed group enterprises refer to a group of corporate entities defined by Article 6 of the Supplementary Provisions to the Taiwan Stock exchange Corporation Criteria for Review of Securities Listings.

v. Liquidity risk management mechanism

A. Definition and sources of liquidity risk

Liquidity risk is the potential that the Company either does not have sufficient liquid financial resources available to meet all its obligations as they fall due, or can only access these financial resources at excessive cost.

B. Management procedures of liquidity risk

The Liquidity Risk Framework governs liquidity risk and is managed by Asset and Liability Committee. The Company maintains a liquid portfolio of marketable securities as a liquidity buffer as required by local regulations. In total, it maintains a liquidity buffer of \$145.5 billion as of December 31, 2024, which is equivalent to 18.68% of the Company's total assets. The level of the Company's aggregate liquid reserves is in accordance with local regulatory minimum liquidity requirements.

The asset side of the balance sheet is of equal importance to the Company's balance sheet as the liability side. The Company's balance sheet is fluid as evidenced by the majority of wholesale banking lending and fixed income assets are contractually less than one year in tenor.

The Company is of the view that capital is not a mitigation for liquidity risk; liquid reserves and a short tenured book are the appropriate mitigation. Accordingly, the Company does not hold capital in respect of liquidity risk.

C. Financial assets held for liquidity risk management

The Company holds cash and high quality liquid assets to support the repay liability and the potential urgency for cash demand emerges from market environment. The assets held for liquidity risk management include cash and cash equivalents, due from the Central Bank and call loans to banks, financial assets at fair value through profit or loss, discounts and loans, and financial assets at fair value through other comprehensive income.

STANDARD CHARTERED BANK (TAIWAN) LIMITED
Notes to the Financial Statements (Continued)
(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

D. Maturity analysis of non-derivatives liabilities

The table below shows the analysis of non-derivative liabilities based on time remaining until the contractual maturity dates.

December 31, 2024					
	Within 3 months	3 months~ 1 year	1~5 years	Over 5 years	Total
Deposits from the Central					
Bank and banks	\$12,951,305	\$490	\$-	\$-	\$12,951,795
Payables	4,652,265	-	-	-	4,652,265
Related parties payable	5,089,140	-	-	-	5,089,140
Deposits and remittances	490,792,122	123,100,773	20,620,323	-	634,513,218
Financial debentures	2,200	-	-	9,840,720	9,842,920
Other financial liabilities	-	-	-	-	-
Lease liabilities	121,244	301,213	1,227,965	999,342	2,649,764
Total	<u>\$513,608,276</u>	<u>\$123,402,476</u>	<u>\$21,848,288</u>	<u>\$10,840,062</u>	<u>\$669,699,102</u>
December 31, 2023					
	Within 3 months	3 months~ 1 year	1~5 years	Over 5 years	Total
Deposits from the Central					
Bank and banks	\$1,257,120	\$910	\$-	\$-	\$1,258,030
Payables	3,264,516	-	-	-	3,264,516
Related parties payable	5,962,550	-	-	-	5,962,550
Deposits and remittances	484,169,702	108,487,150	7,806,596	-	600,463,448
Financial debentures	2,200	6,149,150	-	-	6,151,350
Other financial liabilities	-	-	15,373	-	15,373
Lease liabilities	106,575	250,468	907,280	1,146,565	2,410,888
Total	<u>\$494,762,663</u>	<u>\$114,887,678</u>	<u>\$8,729,249</u>	<u>\$1,146,565</u>	<u>\$619,526,155</u>

E. Maturity analysis of derivative financial liabilities

The Company evaluates the maturity of the derivative financial liabilities listed on the balance sheets to analyze their basic elements. The amount disclosed is based on contractual cash flows and may be different from those included in the balance sheets. The maturity analysis of net settled derivative liabilities were as follows:

STANDARD CHARTERED BANK (TAIWAN) LIMITED
Notes to the Financial Statements (Continued)
(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

a. Maturity analysis of net settled derivatives

		December 31, 2024					
		0~30 days	31~90 days	91~180 days	181 days-1 year	Over 1 year	Total
Derivative financial instruments at fair value through profit or loss							
Foreign exchange derivative instruments		\$184,050	\$146,459	\$35,691	\$17,872	\$5,859	\$389,931
Interest rate derivative instruments		89,522	242,048	403,435	1,284,581	28,830,303	30,849,889
Derivative financial instruments for hedging							
Interest rate derivative instruments		-	-	2,637	-	465,770	468,407
		\$273,572	\$388,507	\$441,763	\$1,302,453	\$29,301,932	\$31,708,227

		December 31, 2023					
		0~30 days	31~90 days	91~180 days	181 days-1 year	Over 1 year	Total
Derivative financial instruments at fair value through profit or loss							
Foreign exchange derivative instruments							
		\$82,435	\$5,004	\$167,082	\$83,254	\$-	\$337,775
	Interest rate derivative instruments	36,999	356,318	614,930	733,501	14,132,295	15,874,043
Derivative financial instruments for hedging							
	Interest rate derivative instruments	-	-	-	-	63,104	63,104
		\$119,434	\$361,322	\$782,012	\$816,755	\$14,195,399	\$16,274,922

b. Maturity analysis of gross settled derivatives

	December 31, 2024					
	0~30 days	31~90 days	91~180 days	181 days-1 year	Over 1 year	Total
Derivative financial instruments at fair value through profit or loss						
Foreign exchange derivative instruments						
Cash outflow	\$209,134,524	\$205,717,335	\$100,051,769	\$75,070,717	\$10,781,267	\$600,755,612
Cash inflow	204,554,493	199,280,512	96,481,143	72,114,027	10,529,001	582,959,176
Derivative financial instruments for hedging						
Foreign exchanges derivative instruments						
Cash outflow	-	-	-	-	-	-
Net cash flow	\$ (4,580,031)	\$ (6,436,823)	\$ (3,570,626)	\$ (2,956,690)	\$ (252,266)	\$ (17,796,436)

STANDARD CHARTERED BANK (TAIWAN) LIMITED
Notes to the Financial Statements (Continued)
(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

	December 31, 2023					
	0~30 days	31~90 days	91~180 days	181 days-1 year	Over 1 year	Total
Derivative financial instruments at fair value through profit or loss						
Foreign exchange derivative instruments						
Cash outflow	\$263,643,149	\$375,286,131	\$187,280,406	\$69,498,687	\$13,361,226	\$909,069,599
Cash inflow	257,088,727	366,019,166	184,340,096	69,094,286	12,817,114	889,359,389
Derivative financial instruments for hedging						
Foreign exchanges derivative instruments						
Cash outflow	-	897,055	4,970,830	13,552,300	5,283,859	24,704,044
Net cash flow	<u><u>\$(6,554,422)</u></u>	<u><u>\$(10,164,020)</u></u>	<u><u>\$(7,911,140)</u></u>	<u><u>\$(13,956,701)</u></u>	<u><u>\$(5,827,971)</u></u>	<u><u>\$(44,414,254)</u></u>

F. Maturity analysis of off-balance-sheet items

Tables below show the maturity analysis of off-balance-sheet items for the Company. The amount of the guarantee and committed credit lines will be allocated to the earliest period when such obligation can be exercised anytime by clients. The amount disclosed is based on contractual cash flows and may be different from that included in the balance sheets.

	December 31, 2024				
	0~30 days	31~90 days	91 days~1 year	Over 1 year	Total
Other guarantees	\$313,143	\$1,967,668	\$3,616,991	\$1,723,293	\$7,621,095
Unused amount of irrevocable loan commitments	-	-	-	14,670,932	14,670,932
Unused amount of irrevocable letters of credit	41,172	875,888	-	-	917,060
	<u><u>\$354,315</u></u>	<u><u>\$2,843,556</u></u>	<u><u>\$3,616,991</u></u>	<u><u>\$16,394,225</u></u>	<u><u>\$23,209,087</u></u>

	December 31, 2023				
	0~30 days	31~90 days	91 days~1 year	Over 1 year	Total
Other guarantees	\$358,298	\$3,398,405	\$5,404,528	\$1,115,629	\$10,276,860
Unused amount of irrevocable loan commitments	-	-	-	6,292,069	6,292,069
Unused amount of irrevocable letters of credit	71,235	486,015	226,257	-	783,507
	<u><u>\$429,533</u></u>	<u><u>\$3,884,420</u></u>	<u><u>\$5,630,785</u></u>	<u><u>\$7,407,698</u></u>	<u><u>\$17,352,436</u></u>

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

G. Structure analysis of maturity, New Taiwan Dollars

December 31, 2024

	Total	Remaining period to maturity					
		0~10 days	11~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year
Main capital inflow on maturity	\$910,101,215	\$98,431,353	\$85,070,130	\$213,751,328	\$96,181,881	\$104,546,884	\$312,119,639
Main capital outflow on maturity	983,013,843	69,293,331	111,430,377	251,458,698	136,760,231	109,178,578	304,892,628
Gap	(72,912,628)	29,138,022	(26,360,247)	(37,707,370)	(40,578,350)	(4,631,694)	7,227,011

December 31, 2023

	Total	Remaining period to maturity					
		0~10 days	11~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year
Main capital inflow on maturity	\$1,135,053,020	\$109,763,191	\$186,128,593	\$280,160,773	\$161,628,407	\$133,137,219	\$264,234,837
Main capital outflow on maturity	1,194,631,434	80,507,215	162,368,961	371,032,327	203,015,805	94,450,206	283,256,920
Gap	(59,578,414)	29,255,976	23,759,632	(90,871,554)	(41,387,398)	38,687,013	(19,022,083)

H. Structure analysis of maturity, US Dollars

December 31, 2024

Unit: in thousands of US Dollars

	Total	Remaining period to maturity				
		0~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year
Main capital inflow on maturity	\$30,760,604	\$10,957,295	\$9,016,417	\$5,045,775	\$4,972,814	\$768,303
Main capital outflow on maturity	33,801,760	11,218,806	12,256,872	4,464,928	3,361,268	2,499,886
Gap	(3,041,156)	(261,511)	(3,240,455)	580,847	1,611,546	(1,731,583)

December 31, 2023

Unit: in thousands of US Dollars

	Total	Remaining period to maturity				
		0~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year
Main capital inflow on maturity	\$36,452,760	\$11,519,401	\$12,569,191	\$7,747,744	\$3,692,534	\$923,890
Main capital outflow on maturity	39,546,215	12,097,501	13,150,438	7,158,141	3,637,520	3,502,615
Gap	(3,093,455)	(578,100)	(581,247)	589,603	55,014	(2,578,725)

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

iv. The offsetting information for financial assets and financial liabilities

The Company has signed total net executable settlement contracts and similar agreements. When both parties choose to conduct the settlement using the net amount, it is acceptable to use the net amount after offsetting the financial assets and financial liabilities. If not, the total value is used in the settlement. If one party defaults, the other party has the right to select the net amount during the settlement.

The table below shows the relevant offsetting information for financial assets and financial liabilities:

December 31, 2024						
Financial assets under net executable settlement contracts or similar agreements						
	Offset total		Relevant amounts not offset in			
	financial	Net financial	balance sheet (d)			
Total financial	liabilities	assets reported in	Financial			
assets recognized	recognized in	balance sheet	instruments	Cash collateral	Net amount	
(a)	balance sheet (b)	(c)=(a)-(b)	(Note)	received	(e)=(c)-(d)	
Derivative financial assets	\$52,252,184	\$-	\$52,252,184	\$40,213,102	\$5,686,870	\$6,352,212
Securities and bonds purchased under resell agreements	34,049,761	-	34,049,761	-	34,049,761	-
Total	\$86,301,945	\$-	\$86,301,945	\$40,213,102	\$39,736,631	\$6,352,212

December 31, 2023						
Financial assets under net executable settlement contracts or similar agreements						
	Offset total		Relevant amounts not offset in			
	financial	Net financial	balance sheet (d)			
Total financial	liabilities	assets reported in	Financial			
assets recognized	recognized in	balance sheet	instruments	Cash collateral	Net amount	
(a)	balance sheet (b)	(c)=(a)-(b)	(Note)	received	(e)=(c)-(d)	
Derivative financial assets	\$35,650,246	\$-	\$35,650,246	\$16,805,370	\$3,759,313	\$15,085,563
Securities and bonds purchased under resell agreements	21,390,034	-	21,390,034	-	21,390,034	-
Total	\$57,040,280	\$-	\$57,040,280	\$16,805,370	\$25,149,347	\$15,085,563

STANDARD CHARTERED BANK (TAIWAN) LIMITED
Notes to the Financial Statements (Continued)
(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

	December 31, 2024					
	Financial liabilities under net executable settlement contracts or similar agreements					
	Offset total		Relevant amounts not offset in			
	financial	Net financial	balance sheet (d)			
Total financial	assets recognized	liabilities reported	Financial			
liabilities	in balance sheet	in balance sheet	instruments	Cash collateral	Net amount	
recognized (a)	(b)	(c)=(a)-(b)	(Note)	pledged	(e)=(c)-(d)	
Derivative financial liabilities	\$46,624,889	\$-	\$46,624,889	\$40,213,102	\$4,157,806	\$2,253,981

	December 31, 2023					
	Financial liabilities under net executable settlement contracts or similar agreements					
	Offset total		Relevant amounts not offset in			
	financial	Net financial	balance sheet (d)			
Total financial	assets recognized	liabilities reported	Financial			
liabilities	in balance sheet	in balance sheet	instruments	Cash collateral	Net amount	
recognized (a)	(b)	(c)=(a)-(b)	(Note)	pledged	(e)=(c)-(d)	
Derivative financial liabilities	\$39,887,089	\$-	\$39,887,089	\$16,805,370	\$5,732,804	\$17,348,915

Note: Includes net amount settlements and financial guarantees of non-cash items.

v. Capital management

A. Summary

The goals of the Company's capital management are shown below:

- a. To maintain adequate levels of capital so as to support business growth and to meet regulatory capital requirements, which is the Company's fundamental goal for capital management. The Company calculates qualified capital and regulatory capital requirement in accordance with rules issued by the regulator.
- b. To hold adequate levels of capital so as to take on all risks arising from the business. The assessment of adequate capital takes into consideration the risk profile and characteristics. The risk management process is conducted through capital risk appetite.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

B. Capital management procedures

The Company maintains the capital adequacy ratio in line with the regulatory requirement and reports to the regulator on a quarterly basis. The Company's capital is managed by the Asset and Liability Committee. The regulatory capital is the aggregate amount of Tier 1 Capital and Tier 2 Capital following the "Regulations Governing the Capital Adequacy and Capital Category of Banks":

a. Tier 1 Capital: The aggregate amount of Common Equity and additional Tier 1 Capital.

i) Common equity Tier 1 capital: Consists of the common equity deducting intangible assets, the deferred tax assets due to losses from previous years, the insufficiency of operation reserves and loan loss provisions, the revaluation surplus of real estate, and the statutory adjustment items calculated in accordance with other rules for calculation methods.

The common equity Tier 1 capital shall be the sum of the following items:

- Common stock and additional paid-in capital in excess of par-common stock
- Capital collected in advance
- Capital reserve
- Legal reserve
- Special reserve
- Accumulated profit or loss
- Non-controlling interests
- Other items in stockholders' equity

ii) Additional Tier 1 capital: Consists of the aggregate amount of non-cumulative perpetual preferred stock and its capital stock premium, non-cumulative perpetual subordinated debts, etc.

b. Tier 2 capital: Consists of the aggregate amount of cumulative perpetual preferred stock and its capital stock premium, cumulative perpetual subordinated debts, convertible subordinated debts, long-term subordinated debts and non-perpetual preferred stock and its capital stock premium, and allowed operational reserves and loan-loss provisions, etc.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

C. Capital adequacy

Item			Period-end	December 31, 2024	December 31, 2023
Regulatory capital	Common equity Tier 1 capital			\$49,632,622	\$47,408,567
	Additional Tier 1 capital			-	-
	Tier 2 capital			13,361,135	3,251,558
	Total regulatory capital			62,993,757	50,660,125
Risk-weighted assets	Credit risk	Standardized approach (SA)		274,767,633	251,169,326
		Internal ratings-based approach (IRB)		-	-
		Securitization		-	-
	Operational risk	Basic indicator approach (BIA)		29,925,899	26,002,241
		Standardized approach (SA) /Alternative standardized approach		-	-
		Advanced measurement approaches (AMA)		-	-
	Market risk	Standardized approach (SA)		71,131,561	50,601,409
		Internal models approach (IMA)		-	-
	Total risk-weighted assets				375,825,093
Capital Adequacy ratio				16.76%	15.46%
Ratio of common equity Tier 1 capital to total risk-weighted assets				13.21%	14.46%
Ratio of Tier 1 capital to total risk-weighted assets				13.21%	14.46%
Leverage ratio				6.39%	6.50%

Note: Capital Adequacy was prepared in compliance with Regulations Governing the Capital Adequacy and Capital Category of Banks.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

7. Related party transactions

Name and relationship of related parties

Name	Relationship
Standard Chartered PLC (“SC PLC”)	The ultimate parent company
Standard Chartered Bank Hong Kong Limited (“SCB Hong Kong”)	Parent company of SC NEA
Standard Chartered NEA Limited (“SC NEA”)	Parent company
Standard Chartered Bank (“SCB”)	Affiliate
Standard Chartered Bank Taipei Branch (“SCB Taipei”)	Affiliate
Standard Chartered Bank New York (“SCB New York”)	Affiliate
Standard Chartered Bank Japan (“SCB Japan”)	Affiliate
Standard Chartered Bank Singapore (“SCB Singapore”)	Affiliate
Standard Chartered Bank Germany (“SCB Germany”)	Affiliate
Standard Chartered Global Business Services Private Limited	Affiliate
Standard Chartered Global Business Services Sdn Bhd	Affiliate
Standard Chartered Bank China Limited (“SCB China”)	Affiliate
Standard Chartered Bank Thailand Limited (“SCB Thailand”)	Affiliate
Standard Chartered Bank Korea Limited (“SCB Korea”)	Affiliate
Standard Chartered Bank Vietnam Limited (“SCB Vietnam”)	Affiliate
Standard Chartered Bank North America (“SCB North America”)	Affiliate
Standard Chartered Bank Philippines Limited (“SCB Philippines”)	Affiliate
Standard Chartered Bank Macau Limited (“SCB Macau”)	Affiliate
Standard Chartered Bank Indonesia (“SCB Indonesia”)	Affiliate
Standard Chartered Bank Dubai (“SCB Dubai”)	Affiliate
Standard Chartered Bank France (“SCB France”)	Affiliate
Standard Chartered Bank Australia (“SCB Australia”)	Affiliate
Standard Chartered Bank India (“SCB India”)	Affiliate
Standard Chartered Bank Qatar (“SCB Qatar”)	Affiliate
Standard Chartered Bank Malaysia (“SCB Malaysia”)	Affiliate
Standard Chartered Bank Sweden (“SCB Sweden”)	Affiliate
Standard Chartered Bank Cameroon (“SCB Cameroon”)	Affiliate
Standard Chartered Bank Bahrain (“SCB Bahrain”)	Affiliate
Standard Chartered Bank Turkey (“SCB Turkey”)	Affiliate
Standard Chartered Bank Kenya (“SCB Kenya”)	Affiliate
Standard Chartered Bank United Arab Emirates (“SCB UAE”)	Affiliate
Standard Chartered Bank Mauritius (“SCB Mauritius”)	Affiliate
Standard Chartered Bank Oman (“SCB Oman”)	Affiliate
Standard Chartered Bank Jordan (“SCB Jordan”)	Affiliate
Standard Chartered Bank Nepal (“SCB Nepal”)	Affiliate
Standard Chartered Bank Saudi Arabia (“SCB Saudi”)	Affiliate
Directors, President and Vice Presidents	The senior management of the Company
Others	According to IAS No.24, “Related Party Disclosure”, related party should include:

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

Name	Relationship
	(1) Members of key management personnel or directors.
	(2) Spouse, and first or second-degree blood relatives of senior management, members of key management personnel or directors.
	(3) Senior management, members of key management personnel or directors and entities which people listed above are their directors, supervisors or presidents.

Significant transactions with related parties

(1) Deposits

		2024		
		Ending balance	Interest payable	Interest expense
SCB Hong Kong		\$62,324,560	\$1,025,035	\$2,200,003
Members of key management directors		332,832	253	5,150
		<u>\$62,657,392</u>	<u>\$1,025,288</u>	<u>\$2,205,153</u>
		2023		
		Ending balance	Interest payable	Interest expense
SCB Hong Kong		\$23,059,313	\$437,591	\$740,465
Members of key management directors		324,456	267	3,504
		<u>\$23,383,769</u>	<u>\$437,858</u>	<u>\$743,969</u>

The interest rates applied to the related parties are based on the board rate for all significant impacts, and the deposit conditions are the same as those for general deposits. The interest rate on employee (members of key management personnel or directors) savings accounts was calculated based on the interest rate of time savings deposits with three-year term offered to the general public plus 3% with the maximum amount of \$480 thousand.

(2) Loans

December 31, 2024							
Type of loan	Maximum Balance during the period	Number of accounts or name of related party	Ending balance	Repayment		Collateral	Difference between terms and conditions offered to the accounts and to the general public
				On-schedule	Overdue		
Employee consumer loans	\$6,858	7	\$4,901	\$4,901	\$-	Unsecured lending	None
Mortgage	30,852	7	27,282	27,282	-	House	None

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

December 31, 2023							
Type of loan	Maximum Balance during the period	Number of accounts or name of related party	Ending balance	Repayment		Collateral	Difference between terms and conditions offered to the accounts and to the general public
				On-schedule	Overdue		
Employee consumer loans	\$7,412	7	\$5,539	\$5,539	\$-	Unsecured lending	None
Mortgage	41,086	9	37,324	37,324	-	House	None

For the years ended December 31, 2024 and 2023, interest income on the above loans were \$624 thousand and \$910 thousand, respectively. As of December 31, 2024 and 2023, the interest receivables from the above transaction were \$40 thousand and \$52 thousand, respectively, recorded under receivables-net.

(3) Foreign exchange and derivative instruments

December 31, 2024						
Name	Contracts	Contracts duration	Notional	Gain (loss) on valuation	Balance sheet	
		period			Account	Balance
SCB	Interest rate swap	2025.1.2~ 2035.3.19	\$5,198,771,255	\$(106,862)	Financial assets at fair value through profit or loss	\$21,676,043
					Financial liabilities at fair value through profit or loss	(21,625,295)
	Spot/forward/swap	2025.1.2~ 2026.10.16	209,880,466	(624,882)	Financial assets at fair value through profit or loss	1,083,149
					Financial liabilities at fair value through profit or loss	(2,226,745)
	Cross currency swap	2025.1.3~ 2026.8.10	21,138,995	1,057,116	Financial assets at fair value through profit or loss	1,053,954
					Financial liabilities at fair value through profit or loss	(58,841)
	Foreign exchange option	2025.1.2~ 2026.10.26	70,263,035	153,615	Financial assets at fair value through profit or loss	151,473
					Financial liabilities at fair value through profit or loss	(58,841)
	Commodity swap	2025.1.8~ 2025.1.14	159,736	26,758	Financial assets at fair value through profit or loss	12,618
					Financial liabilities at fair value through profit or loss	(270)
	Commodity option	2025.4.14	145,918	3,205	Financial assets at fair value through profit or loss	70,452
					Financial liabilities at fair value through profit or loss	(149,837)
SCB Hong Kong	Spot/forward/swap	2025.1.2~ 2025.12.4	17,372,860	(86,957)	Financial assets at fair value through profit or loss	70,452
					Financial liabilities at fair value through profit or loss	(149,837)

STANDARD CHARTERED BANK (TAIWAN) LIMITED
Notes to the Financial Statements (Continued)
(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

December 31, 2023						
Name	Contracts	Contracts duration		Gain (loss) on valuation	Balance sheet	
		period	Notional		Account	Balance
SCB	Interest rate swap	2024.1.2~ 2034.6.20	\$2,688,918,510	\$(488,898)	Financial assets at fair value through profit or loss	\$11,289,516
					Financial liabilities at fair value through profit or loss	(11,131,906)
	Interest rate option	2024.9.30	1,537,288	(39,656)	Financial assets at fair value through profit or loss	39,583
					Financial liabilities at fair value through profit or loss	
	Spot/forward/swap	2024.1.2~ 2024.12.27	200,527,108	815,378	Financial assets at fair value through profit or loss	1,456,018
					Financial liabilities at fair value through profit or loss	(1,974,732)
	Cross currency swap	2024.2.22~ 2024.10.28	2,178,005	(210,017)	Financial assets at fair value through profit or loss	43,283
					Financial liabilities at fair value through profit or loss	(46,445)
	Foreign exchange option	2024.1.2~ 2025.7.2	32,413,795	126,407	Financial assets at fair value through profit or loss	6,052
					Financial liabilities at fair value through profit or loss	(67,035)
	Commodity swap	2024.1.16~ 2024.7.15	230,897	(14,759)	Financial liabilities at fair value through profit or loss	(14,140)
					Financial assets at fair value through profit or loss	5
	Commodity option	2024.1.16~ 2024.10.15	466,573	12,759	Financial liabilities at fair value through profit or loss	(3,480)
					Financial assets at fair value through profit or loss	
SCB Hong Kong	Spot/forward/swap	2024.1.2~ 2024.12.9	10,253,474	51,321	Financial assets at fair value through profit or loss	62,984
					Financial liabilities at fair value through profit or loss	(55,412)
					Financial assets at fair value through profit or loss	
SCB Germany	Spot/forward/swap	2024.1.16~ 2024.3.27	7,798,455	273,162	Financial assets at fair value through profit or loss	165,786
					Financial liabilities at fair value through profit or loss	(66,310)
					Financial assets at fair value through profit or loss	

As of December 31, 2024 and 2023, no premium receivables or payables resulting from the above option contracts were recorded.

(4) Deposits with banks-affiliates

	2024		
	Balance	Interest receivable	Net interest income
SCB Taipei	\$3,700,000	\$814	\$49,902
SCB Hong Kong	2,018,224	-	208
Other	556,006	-	124,339
	<u>\$6,274,230</u>	<u>\$814</u>	<u>\$174,449</u>

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

	2023		
	Balance	Interest receivable	Net interest income
SCB Taipei	\$3,700,000	\$433	\$42,111
SCB New York	2,295,828	-	56,451
SCB Hong Kong	706,560	-	-
Other	539,655	-	2,327
	<u>\$7,242,043</u>	<u>\$433</u>	<u>\$100,889</u>

The interest rate for above-mentioned transactions are no different from those of non-related parties. Please refer to 7(15) for the service charges from the above deposits.

(5) Call loans to banks-affiliates

	2024		
	Balance	Interest receivable	Net interest income
SCB	\$32,802,400	\$30,138	\$32,999
SCB Taipei	28,254,652	54,032	445,078
SCB Hong Kong	3,936,288	473	1,632,379
Other	-	-	1,812
	<u>\$64,993,340</u>	<u>\$84,643</u>	<u>\$2,112,268</u>

	2023		
	Balance	Interest receivable	Net interest income
SCB Hong Kong	\$44,273,880	\$485,066	\$1,744,036
SCB Taipei	20,732,536	15,295	370,162
Other	-	-	79
	<u>\$65,006,416</u>	<u>\$500,361</u>	<u>\$2,114,277</u>

The interest rate for above-mentioned transactions are no different from those of non-related parties.

(6) Deposits from banks-affiliates

	2024		
	Balance	Interest payable	Net interest expense
SCB Taipei	\$12,906	\$-	\$10

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

	2023		
	Balance	Interest payable	Net interest expense
SCB Taipei	\$14,773	\$-	\$10

The interest rate for above-mentioned transactions are no different from those of non-related parties.

(7) Overdrafts on banks-affiliates

	2024		
	Balance	Interest payable	Net interest expense
SCB New York	\$684,793	\$-	\$24,653
SCB Germany	-	-	3,539
Other	310	-	358
	<u>\$685,103</u>	<u>\$-</u>	<u>\$28,550</u>

	2023		
	Balance	Interest payable	Net interest expense
SCB Thailand	\$1,559	\$-	\$-
SCB Hong Kong	291	-	78
SCB New York	-	-	10,786
Other	-	-	1,397
	<u>\$1,850</u>	<u>\$-</u>	<u>\$12,261</u>

The interest rate for above-mentioned transactions are no different from those of non-related parties.

(8) Call loans from banks-affiliates

	2024		
	Balance	Interest payable	Net interest expense
SCB Hong Kong	\$11,345,083	\$1,851	\$709,768
SCB Taipei	885,665	107	17,781
Other	-	-	43,145
	<u>\$12,230,748</u>	<u>\$1,958</u>	<u>\$770,694</u>

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

	2023		
	Balance	Interest payable	Net interest expense
SCB Hong Kong	\$1,186,823	\$49	\$668,421
SCB Korea	-	-	42,485
Other	-	-	11,995
	<u>\$1,186,823</u>	<u>\$49</u>	<u>\$722,901</u>

The interest rate for above-mentioned transactions are no different from those of non-related parties.

(9) Securities and bonds purchased under resell agreements

	2024		
	Ending balance	Interest receivable	Net interest income
SCB	<u>\$2,152,063</u>	<u>\$2,121</u>	<u>\$135,710</u>

	2023		
	Ending balance	Interest receivable	Net interest income
SCB	<u>\$1,730,699</u>	<u>\$3,594</u>	<u>\$19,668</u>

The interest rate for above-mentioned transactions are no different from those of non-related parties.

(10) Accounts receivable-related parties (Interest and premium receivables not included)

	December 31, 2024	December 31, 2023
SCB Singapore	\$558,620	\$496,949
SCB Hong Kong	282,448	250,593
SCB	116,496	71,461
SCB New York	106,034	105,340
SCB China	86,881	81,447
Other	80,672	73,307
	<u>\$1,231,151</u>	<u>\$1,079,097</u>

Accounts receivable-related parties included the receivables driven from service fee income and fee income of exclusive sales of insurance policy, etc.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

(11) Accounts payable-related parties (Interest and premium payables not included)

	December 31, 2024	December 31, 2023
SCB	\$3,255,542	\$4,896,996
SCB Singapore	253,241	70,498
Other	497,583	546,387
	<u>\$4,006,366</u>	<u>\$5,513,881</u>

Related parties payable included service charge payable, group insurance expense payables, accounts payable to SCB for the share based payment scheme costs, service fee payables, and etc.

(12) The issuance of financial debentures to affiliates were as follows:

	2024		
	Ending balance	Interest payable	Net interest expense
SCB Hong Kong	\$9,840,720	\$55,529	\$55,254
SCB	-	-	282,496
	<u>\$9,840,720</u>	<u>\$55,529</u>	<u>\$337,750</u>
	2023		
	Ending balance	Interest payable	Net interest expense
SCB	\$6,149,150	\$10,761	\$278,550

The issuance conditions and details of financial debentures are stated in note 6(17).

(13) Advance received from affiliates

	December 31, 2024	December 31, 2023
SCB Singapore	<u>\$879,095</u>	<u>\$933,485</u>

The advance service fee income from the Exclusivity Fee Sharing Agreement with SCB Singapore was recorded under other liabilities. (Please refer to note 9(2)).

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

(14) Guarantee

None.

(15) Net service fee income

	For the years ended December 31	
	2024	2023
Service fees:		
SCB Singapore	\$461,505	\$535,328
Service charges:		
SCB New York	\$29,600	\$31,557

Net service fee income included the Exclusivity Fee Sharing Agreement with SCB Singapore and the service charges from the deposits with banks-affiliates.

(16) Net other non-interest income

	For the years ended December 31	
	2024	2023
SCB Hong Kong	\$282,906	\$248,401
SCB Singapore	115,564	89,876
SCB New York	101,726	62,551
SCB	57,061	124,450
SCB India	50,638	4,472
Other	58,131	69,865
	\$666,026	\$599,615

Net other non-interest income included service income, rental income, service charges for providing the utility and information system usage to SCB Taipei.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

(17) Other general and administrative expenses

	For the years ended December 31	
	2024	2023
SCB	\$2,283,818	\$2,014,144
SCB Singapore	202,529	17,216
SCB New York	125,353	156,422
Other	508,880	376,694
	<u>\$3,120,580</u>	<u>\$2,564,475</u>

Other general and administrative expenses included information technology service fees, consulting and technical support service fees.

The salary and remuneration for directors and supervisors

	For the years ended December 31	
	2024	2023
Salary and other short-term benefits	\$198,523	\$209,190
Post-employment benefits	980	1,000
Total	<u>\$199,503</u>	<u>\$210,190</u>

8. Pledged assets

Pledged assets	Pledged for	December 31, 2024	December 31, 2023
Negotiable certificates of deposit, bonds	USD overdraft clearing deposits	<u>\$11,310,044</u>	<u>\$10,070,829</u>
(recorded under other financial assets)			

Refundable security deposits set as pledged assets made in accordance with the relevant regulations of governing bank operations are as follows:

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

Pledged assets	Pledged for	December 31, 2024	December 31, 2023
Negotiable certificates of deposit, bonds (recorded under other financial assets)	Trust indemnity reserve	\$147,700	\$150,289
	Operation Bond for securities broker	49,103	50,096
	Operation Bond for securities underwriter	39,282	40,077
	Operation Bond for securities dealer	9,821	10,019
	Bond for bills business	99,931	99,936
	Bond payment settlement reserve	98,205	100,192
		444,042	450,609
Guarantee deposits paid (recorded under other assets)	Bond payment settlement reserve, and self- regulatory fund deposit	40,300	40,300
	OTC derivatives default fund	20,000	20,000
Total		\$504,342	\$510,909

9. Significant commitments and contingent liabilities

(1) Commitments and contingent liabilities

	December 31, 2024	December 31, 2023
Consignment collection for others	\$2,858,815	\$2,797,170
Securities, consignments and goods in custody	9,741,133,764	6,275,563,416
Trust assets	152,735,346	125,845,965
Subtotal	\$9,896,727,925	\$6,404,206,551
Other guarantees	\$7,621,095	\$10,276,860
Unused amount of irrevocable loan commitments	\$14,670,932	\$6,292,069
Unused amount of irrevocable letters of credit	\$917,060	\$783,507

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

(2) Significant service agreements

The Company entered into a bancassurance agreement with PCA Life Assurance Co., Ltd. (“PCA”) and SCLIA on July 4, 2014 to continue the tripartite partnership and to promote and sell approved insurance products. SCLIA entered into the exclusivity fee sharing agreement with SCB Singapore on December 30, 2014. Since SCLIA has merged into the Company through absorption on October 1, 2016. As of the date of merger, rights and obligations related to the service agreements of SCLIA were generally assumed by the Company.

(3) Disclosures required by Article 17 of the Trust Enterprise Law on trust balance sheets, trust statements of comprehensive income, and trust assets were as follows:

Trust balance sheet			
December 31, 2024			
Trust assets		Trust liabilities	
Bank deposits	\$297	Accounts payable	\$-
Short-term investments		Payables for securities under custody	6,989,920
Bonds	53,827,526	Trust capital and accumulated earnings	
Stocks	11,010,255	Trust capitals	168,001,313
Funds	77,127,704	Accumulated earnings	(22,255,887)
Structured notes	3,779,644		
Securities under custody	6,989,920		
Accounts receivable	-		
Total trust assets	<u>\$152,735,346</u>	Total trust liabilities	<u>\$152,735,346</u>

Trust balance sheet			
December 31, 2023			
Trust assets		Trust liabilities	
Bank deposits	\$2,891	Accounts payable	\$1
Short-term investments		Payables for securities under custody	5,395,367
Bonds	40,057,821	Trust capital and accumulated earnings	
Stocks	9,622,831	Trust capitals	142,644,968
Funds	68,355,143	Accumulated earnings	(22,194,371)
Structured notes	2,411,911		
Securities under custody	5,395,367		
Accounts receivable	1		
Total trust assets	<u>\$125,845,965</u>	Total trust liabilities	<u>\$125,845,965</u>

STANDARD CHARTERED BANK (TAIWAN) LIMITED
Notes to the Financial Statements (Continued)
(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

Schedules of investment for trust business

Investment items	December 31, 2024	December 31, 2023
Bank deposits	\$297	\$2,891
Short-term investments:		
Bonds	53,827,526	40,057,821
Common stock	11,010,255	9,622,831
Funds	77,127,704	68,355,143
Structured notes	3,779,644	2,411,911
Securities under custody	6,989,920	5,395,367
Accounts receivable	-	1
Total	<u>\$152,735,346</u>	<u>\$125,845,965</u>

Foreign currency trust business engaged by the Offshore Banking Unit (OBU) as of December 31, 2024 and 2023, were included in the trust balance sheets and schedules of investment for trust business.

The Company does not have the right to decide on the use of the entrusted trust property, the profit or loss of the assets belongs to the beneficiary, and the subsequent evaluation of the trust assets is based on the cost, thus the profit or loss of the trust account of the Company is zero.

10. Significant loss due to disasters

None.

11. Significant subsequent events

None.

12. Others

(1) Profitability

Items		Unit: %	
		December 31, 2024	December 31, 2023
Return on assets (Annualized)	Before income tax	0.84	0.81
	After income tax	0.70	0.68
Return on equity (Annualized)	Before income tax	12.28	11.76
	After income tax	10.11	9.88
Net profit ratio		28.17	29.03

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

Note 1: $\text{Return on assets} = \text{net income before / after tax} \div \text{average assets}$ Note 2: $\text{Return on equity} = \text{net income before / after tax} \div \text{average equity}$ Note 3: $\text{Net profit ratio} = \text{net income after tax} \div \text{net revenue}$ 13. Other disclosure items

For the year ended December 31, 2024, relevant information of any major transactions that the Company was required to disclose were as follows:

(1) Related information on significant transactions

- (a) Information regarding securities for which the purchase or sale amount for the period exceeded NT\$300 million or 10% of the Company's paid in capital: None.
- (b) Information on the acquisition of real estate for which the purchase amount exceeded NT\$300 million or 10% of the Company's paid in capital: None.
- (c) Information on the disposal of real estate for which the sale amount exceeded NT\$300 million or 10% of the Company's paid in capital: None.
- (d) Information regarding discounted processing fees on transactions with related parties for which the amount exceeded NT\$5 million: None.
- (e) Information regarding due from related parties for which the amount exceeded NT\$300 million or 10% of the Company's paid in capital: Notes 6(8) and 7.
- (f) Information regarding selling non-performing loans:
 - i. Summary table of NPL disposal: None.
 - ii. Disposal of a single batch of NPL up to NT\$1 billion and information on each transaction: None.
- (g) Information on applications for handling securitized commodities according to the Regulation on Financial Asset Securitization or the Regulation on Real Estate Securitization: None.
- (h) Business relationship, and material transaction and amount between the parent party and subsidiaries and among subsidiaries themselves: Not applicable.
- (i) Other material transaction items which were significant to the financial statements users to make financial decisions: None.

- (2) The subsidiary lends funds to others, endorses guarantees for others, holds securities at the end of the period, and the cumulative amount of buying or selling the same securities reaches NT\$300 million or 10% of the paid-in capital Information on transactions and derivatives transactions: Not applicable.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

(3) Information on long-term equity investments

Name of investee	Investee's location	Investee's operation	Percentage of ownership	Book value of investments	Gain (loss) recognized during the period	Holdings				Remark
						Number of shares(thousand)	Pro forma number of shares(thousand)	Total		
								Shares (thousand)	Percentage	
Taiwan Small and Medium Enterprises Development Co., Ltd.	8F., No.181, Fushing N. Rd., Songshan District, Taipei City 10596, Taiwan (R.O.C.)	Small and medium enterprises improvement services	4.84%	\$39,583	\$2,050	3,417	-	3,417	4.84%	Note 2
Universal Venture Fund Co., Ltd.	8F., No.70, Sec. 3, Nanjing E. Rd., Jhongshan District, Taipei City 10489, Taiwan (R.O.C.)	Venture capital services	4.76%	3,319	-	391	-	391	4.76%	Note 3
Financial Information Service Co., Ltd.	No.81, Sec. 3, Kangning Rd., Neihu District, Taipei City 11485, Taiwan (R.O.C.)	Information technology services	1.14%	318,257	16,329	7,719	-	7,719	1.14%	Note 4
Taiwan Financial Asset Service Corporation	10F., No.300, Sec. 4, Jhongsiao E. Rd., Da'an Dist., Taipei City 106, Taiwan (R.O.C.)	Asset auction notarization	2.94%	43,900	1,000	5,000	-	5,000	2.94%	Note 2
Sunny Asset Management Corp.	11F., No.85 and No.87, Sec. 2, Nanjing E. Rd., Jhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	NPL acquisition services	1.42%	1,350	128	85	-	85	1.42%	Note 2
LINE Bank Taiwan Limited	3F/4F, No. 333, Rui-Guang Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Commercial bank	5.42%	617,500	-	81,250	-	81,250	5.42%	Note 2
Windance Co., Ltd.	No.243-1, Jhongyang Rd., North District, Hsinchu City 30041, Taiwan (R.O.C.)	Residential and commercial lease/sale services	2.73%	-	-	18,850	-	18,850	2.73%	Note 2

Note 1: The book value of investments recorded under financial assets at fair value through other comprehensive income.

Note 2: Shares held by the Company were unchanged as compared to December 31, 2023.

Note 3: Shares held by the Company decreased as compared to December 31, 2023, but the percentage of ownership remained unchanged.

Note 4: Shares held by the Company increased as compared to December 31, 2023, but the percentage of ownership remained unchanged.

Note 5: TSC Bio Venture Capital Corp. completed liquidation in May 2024 and return the share capital.

(4) Information on investments in Mainland China

- Name, main operating items and other information of the invested company in Mainland China: None.
- Amount limitation of investments in Mainland China: None.

(5) Major shareholder information:

Securities firms whose stocks have been listed on the stock exchange or traded over the counter at the securities firm's business premises should disclose the names, shareholding amounts and proportions of shareholders whose equity ratio exceeds 5%: Not applicable.

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

14. Operating segment financial information

The Company presents the following segment information for the decision makers of the Company to allocate resources and evaluate each segment's performance. The information focuses on the results from the operations of the relevant segments and their respective profits before tax. Reported segments in accordance with IFRS 8 are as follows:

- (1) Wealth and Retail Banking ("WRB"): In charge of developing a long-term sustainable customer-focused strategy and building a high performance culture through robust execution. Responsible for retail clients segment development in customer value propositions, product development and developing customer-focused planning and promotion of wealth management and trust to conduct investment, financing and trust services.
- (2) Corporate and Investment Banking Client Coverage ("CIB"): In charge of developing a sustainable client-focused strategy by engaging in the development, promotion, credit analysis, risk management, client on-boarding, integrated client documentation handing, client due diligence, and sale products and services to Corporate clients and Financial institutions clients. Responsible for business development and maintenance, sales channel management, operation process and risk management, enhancement of customer experience and service quality, analysis of business operations, evaluation of product performance, and project execution, etc..
- (3) Other Banking ("OB"): Including asset and liability management and other income, and expense that cannot be classified under a specific department.

Management monitors each segment's performance in order to allocate the required resources and to evaluate its performance. Segments' performance is evaluated according to its operating gain or loss. The disclosures of profit or loss are in accordance with the accounting policies of the Company specified under note 4. Segmental gains and losses include inter department transfer pricing expenses as well as head office allocated expenses. Income tax expense (income) is not allocated to the reportable segments for disclosure purposes.

Majority of the Company's business is located domestically, so there is no geographic information applicable. There is no income from one single client that represents more than 10% of the income of the Company.

The disclosures of profit or loss are in accordance with the accounting policies of the SC PLC Group. The Company's information and reconciliation of operating segments were as follows:

STANDARD CHARTERED BANK (TAIWAN) LIMITED

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

	2024			
	WRB	CIB	OB	Total
Net interest income	\$7,402,326	\$2,147,051	\$(2,289,504)	\$7,259,873
Net service fee income	5,446,340	911,178	(39,477)	6,318,041
Other miscellaneous income	493,592	1,158,453	3,275,951	4,927,996
Net income	13,342,258	4,216,682	946,970	18,505,910
Bad debt (expense) reversal gain, commitment and guarantee liability provisions	(1,542,342)	58,383	45	(1,483,914)
Operating expenses	(8,088,440)	(2,447,399)	(157,084)	(10,692,923)
Segment profit	<u>\$3,711,476</u>	<u>\$1,827,666</u>	<u>\$789,931</u>	<u>\$6,329,073</u>

	2023			
	WRB	CIB	OB	Total
Net interest income	\$7,355,520	\$2,703,023	\$(4,372,654)	\$5,685,889
Net service fee income	3,983,865	755,180	(39,825)	4,699,220
Other miscellaneous income	496,456	488,055	5,277,664	6,262,175
Net income	11,835,841	3,946,258	865,185	16,647,284
Bad debt expense, commitment and guarantee liability provisions	(1,072,150)	(89,513)	(6,657)	(1,168,320)
Operating expenses	(7,254,093)	(2,362,508)	(107,765)	(9,724,366)
Segment profit	<u>\$3,509,598</u>	<u>\$1,494,237</u>	<u>\$750,763</u>	<u>\$5,754,598</u>

Standard Chartered Bank (Taiwan) Limited
Statement of cash and cash equivalents
December 31, 2024
(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Cash on hand			
TWD		\$2,615,687	
USD	USD1@32.802	182,691	
CNH	CNH1@4.477	82,767	
JPY	JPY1@0.210	150,585	
HKD	HKD1@4.224	115,576	
EUR	EUR1@34.130	97,312	
GBP	GBP1@41.163	29,287	
SGD	SGD1@24.115	29,993	
Subtotal		3,303,898	
Checks for clearing		743	
Deposits with other banks	Bank of China Taipei Branch	6,917,003	
	Others (Note)	777,945	
Subtotal		7,694,948	
Deposits with other banks-affiliates	SCB Taipei	3,700,000	
	SCB Hong Kong	2,018,224	
	Others (Note)	556,006	
Subtotal		6,274,230	
Subtotal		17,273,819	
Less: Allowance for bad debts		6,857	
Total		\$17,266,962	

Note: Individual accounts less than 5% of the total.

Standard Chartered Bank (Taiwan) Limited

Statement of financial assets measured at fair value through profit or loss

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Name of financial instrument	Description	Shares or units	Par Value	Total amount	Interest rate	Acquisition cost	Fair value		Fair value changes attributable to the changes in credit risk	Note
							Unit price	Total amount		
Government bonds				\$6,500,000	0.13%~1.75%	\$6,467,868	93.44~100.04	\$6,496,053	\$-	
Corporate bonds				2,600,000	0.52%~1.75%	2,586,939	98.04~100.05	2,601,479		
Commercial paper				3,600,000	0.00%	3,594,966	99.75~99.96	3,594,620		
Subtotal				<u>\$12,700,000</u>		<u>\$12,649,773</u>		<u>\$12,692,152</u>		
Derivative financial assets										
Interest rate swap								29,641,035		
Interest rate option								1,992,440		
Forward/ Swap								15,258,380		
Cross currency swap								1,267,479		
Foreign exchange option								210,118		
Commodity swap								12,618		
Commodity option								272		
Subtotal								<u>48,382,342</u>		
Total								<u>\$61,074,494</u>		

Standard Chartered Bank (Taiwan) Limited

Statement of financial assets measured at fair value through other comprehensive income

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Name of financial instrument	Description	Shares or units	Par Value	Total amount	Interest rate	Acquisition cost	Accumulated impairment	Fair value		Note
								Unit price	Total amount	
Debt Instruments										
Negotiable certificates of deposit				\$47,555,000	0.81%~1.50%	\$47,555,000	\$2,257	99.98~100.27	\$47,605,343	
Government bonds				52,398,579	0.00%~4.88%	52,249,125	1,890	98.01~101.14	52,169,992	
Subtotal				99,953,579		99,804,125	4,147		99,775,335	
Equity instrument										
Non-listed stock						1,257,138			1,023,909	
Total				\$99,953,579		\$101,061,263	\$4,147		\$100,799,244	

Standard Chartered Bank (Taiwan) Limited

Statement of financial assets measured at amortized cost

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Name of financial instrument	Description	Shares or units	Par value	Total Amount	Interest rate	Carrying amount	Accumulated impairment	Note
Negotiable certificates of deposit				\$13,300,000	1.15%~1.18%	\$13,298,982	\$1,018	
Government bonds				2,700,000	0.25%~2.00%	2,701,363	153	
Total				<u>\$16,000,000</u>		<u>\$16,000,345</u>	<u>\$1,171</u>	

Standard Chartered Bank (Taiwan) Limited
Statement of financial assets and liabilities for hedging
December 31, 2024
(Expressed in thousands of New Taiwan Dollars)

Item	Face Value	Carrying amount	Note
Government bonds	\$36,869,678	\$34,049,761	

Standard Chartered Bank (Taiwan) Limited
Statement of receivables
December 31, 2024
(Expressed in Thousands of New Taiwan Dollars)

Item	Amount	Allowance for bad debts	Premium/ discount adjustment	Net amount	Note
Accounts receivable factoring	\$24,891,322	\$348,913	\$-	\$24,542,409	
Credit cards accounts receivable	3,345,640	71,638	-	3,274,002	
Accounts receivable:					
Wealth management handling fee receivable	518,806	-	-	518,806	
Income receivable	147,244	-	-	147,244	
Accounts receivable	364,517	-	-	364,517	
Subtotal	1,030,567	-	-	1,030,567	
Interest receivable:					
Interest rate instruments	738,540	-	-	738,540	
Loans	606,440	-	-	606,440	
Call loans to banks	259,888	-	-	259,888	
Interbank loan receivables, trade finance	416,278	-	-	416,278	
Other (Note)	173,132	8,733	-	164,399	
Subtotal	2,194,278	8,733	-	2,185,545	
Acceptances receivable	58,878	589	-	58,289	
Accounts receivable-related parties	1,318,769	-	-	1,318,769	
Unsettled bonds receivable	1,103,038	-	-	1,103,038	
Other (Note)	229,921	47	-	229,874	
Total	<u>\$34,172,413</u>	<u>\$429,920</u>	<u>\$-</u>	<u>\$33,742,493</u>	

Note: Individual accounts less than 5% of the total.

Standard Chartered Bank (Taiwan) Limited
Statement of discounts and loans
December 31, 2024
(Expressed in Thousands of New Taiwan Dollars)

Item	Amount	Allowance for bad debts	Premium/discount adjustment	Net amount	Note
Short term loans and overdrafts	\$19,423,441	\$-	\$-	\$19,423,441	
Short-term secured loans	143,161	-	-	143,161	
Medium-term loans	53,444,973	-	-	53,444,973	
Medium-term secured loans	222,368	-	-	222,368	
Long-term loans	13,543,409	-	-	13,543,409	
Long-term secured loans	224,591,435	-	-	224,591,435	
Overdue loans	149,483	-	-	149,483	
Add: Premium / Discount adjustment	-	-	221,074	221,074	
Less: Allowance for bad debts	-	5,493,289	-	5,493,289	
Total	<u>\$311,518,270</u>	<u>\$5,493,289</u>	<u>\$221,074</u>	<u>\$306,246,055</u>	

Statement of other financial assets
December 31, 2024
(Expressed in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Restricted assets-debt instruments		\$11,754,086	
Non-accrual loans other than those reclassified from loans		7,335	
Less: Allowance for bad debts-non-accrual loans other than those reclassified from loans		7,335	
Total		<u>\$11,754,086</u>	

Standard Chartered Bank (Taiwan) Limited
Statement of changes in property and equipment
For the year ended December 31, 2024
(Expressed in Thousands of New Taiwan Dollars)

Item	Beginning Balance	Increase	Decrease	Reclassify	Other changes	Ending balance	Collateral	Note
Cost:								
Land	\$1,798,434	\$-	\$211,920	\$-	\$-	\$1,586,514		
Buildings	1,590,636	170	84,321	6,129	-	1,512,614		
Office equipment	344,655	4,846	25,712	2,380	-	326,169		
Leasehold improvements	993,327	27,033	6,301	27,294	-	1,041,353		
Other equipment	587,255	50,812	50,448	23,434	-	611,053		
Work in progress	-	80,285	-	(59,237)	-	21,048		
Total	<u>\$5,314,307</u>	<u>\$163,146</u>	<u>\$378,702</u>	<u>\$-</u>	<u>\$-</u>	<u>\$5,098,751</u>		

Statement of changes in accumulated depreciation of property and equipment
For the year ended December 31, 2024
(Expressed in Thousands of New Taiwan Dollars)

Item	Beginning balance	Increase	Decrease	Reclassify	Other changes	Ending balance	Note
Buildings	\$950,582	\$37,433	\$68,643	\$-	\$-	\$919,372	
Office equipment	234,513	38,206	25,712	32	-	247,039	
Leasehold improvements	559,736	78,537	6,301	-	-	631,972	
Other equipment	347,139	95,391	50,448	(32)	-	392,050	
Total	<u>\$2,091,970</u>	<u>\$249,567</u>	<u>\$151,104</u>	<u>\$-</u>	<u>\$-</u>	<u>\$2,190,433</u>	

Statement of changes in accumulated impairment of property and equipment
For the year ended December 31, 2024
(Expressed in Thousands of New Taiwan Dollars)

Item	Beginning balance	Increase	Decrease	Ending balance	Note
Land	\$7,095	\$-	\$7,095	\$-	
Buildings	1,975	-	-	1,975	
Total	<u>\$9,070</u>	<u>\$-</u>	<u>\$7,095</u>	<u>\$1,975</u>	

Standard Chartered Bank (Taiwan) Limited
Statement of changes in right-of-use assets
For the year ended December 31, 2024
(Expressed in Thousands of New Taiwan Dollars)

Item	Beginning balance	Increase	Decrease	Ending balance	Note
Buildings	\$3,480,074	\$432,561	\$130,905	\$3,781,730	
Transportation	5,001	-	-	5,001	
Other Equipment	7,252	278,571	7,252	278,571	
Total	<u>\$3,492,327</u>	<u>\$711,132</u>	<u>\$138,157</u>	<u>\$4,065,302</u>	

Statement of changes in accumulated depreciation of right-of-use assets
For the year ended December 31, 2024
(Expressed in Thousands of New Taiwan Dollars)

Item	Beginning balance	Increase	Decrease	Ending balance	Note
Buildings	\$1,208,843	\$389,032	\$51,712	\$1,546,163	
Transportation	3,056	1,667	-	4,723	
Other Equipment	4,956	15,138	6,165	13,929	
Total	<u>\$1,216,855</u>	<u>\$405,837</u>	<u>\$57,877</u>	<u>\$1,564,815</u>	

Standard Chartered Bank (Taiwan) Limited
Statement of changes in intangible assets
For the year ended December 31, 2024
(Expressed in Thousands of New Taiwan Dollars)

Item	Beginning balance	Increase	Decrease	Ending Balance	Note
Goodwill	\$3,156,048	\$-	\$-	\$3,156,048	
Other	89,183	17,374	40,366	66,191	
Total	<u>\$3,245,231</u>	<u>\$17,374</u>	<u>\$40,366</u>	<u>\$3,222,239</u>	

Standard Chartered Bank (Taiwan) Limited
Statement of deferred tax assets
December 31, 2024
(Expressed in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Bad debt expenses and provisions for guarantee liabilities		\$540,677	
Depreciation expenses		39,531	
Impairment losses on assets		395	
Expenses from share-based payments		8,463	
Employee benefits		44,321	
Provisions		6,911	
Deferred income		54,157	
Losses on hedging instruments		85,950	
Total		<u>\$780,405</u>	

Standard Chartered Bank (Taiwan) Limited
Statement of other assets
December 31, 2024
(Expressed in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Refundable deposits:			
Lease deposits	\$114,164		
Bond payment settlement reserves, and self-regulatory fund deposits	40,300		
Credit card deposits	79,053		
Other (Note)	45,576		
Subtotal	279,093		
Refundable deposits-derivative financial instruments	4,157,806		
Prepaid fees	152,448		
Other (Note)	41,474		
Total	\$4,630,821		

Note: Individual accounts less than 5% of the total.

Standard Chartered Bank (Taiwan) Limited

Statement of financial liabilities measured at fair value through profit or loss

December 31, 2024

(Expressed in Thousands of New Taiwan Dollars)

Name of financial instrument	Description	Shares of units	Par value	Total amount	Interest rate	Fair value		Fair value changes attributable to the changes in credit risk	Note
						Unit price	Total amount		
Derivative financial liabilities									
Interest rate swap							\$30,747,199		
Interest rate option							102,690		
Forward/swap							13,813,035		
Cross currency swap							1,270,757		
Foreign exchange option							209,917		
Commodity swap							12,614		
Commodity option							270		
Total							<u>\$46,156,482</u>		

Standard Chartered Bank (Taiwan) Limited
Statement of payables
December 31, 2024
(Expressed in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Accrued interest		\$1,154,546	
Accrued expenses		1,561,831	
Unsettled bonds payable		1,092,041	
Other (Note)		843,847	
Total		<u>\$4,652,265</u>	

Note: Individual accounts less than 5% of the total.

Statement of deposits and remittances
December 31, 2024
(Expressed in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Check accounts deposits		\$1,727,175	
Demand deposits		231,933,466	
Saving account deposits		163,608,116	
Time deposits		209,998,669	
Time saving deposits		27,034,054	
Remittances		211,738	
Total		<u>\$634,513,218</u>	

Standard Chartered Bank (Taiwan) Limited

Statement of financial debentures

December 31, 2024

(Expressed in Thousands of New Taiwan Dollars)

Bond name	Trustee	Issuance date	Interest payment date	Coupon rate	Amount					Collateral	Note
					Total amount	Repayment paid	Ending balance	Unamortized premiums (amounts)	Carrying amount		
91-1		2002.7.19	2007.7.19	Note 1	\$8,000,000	\$7,999,000	\$1,000	\$-	\$1,000		Bond A
94-1		2005.1.28	Note 2	Note 3	7,636,700	7,635,600	1,100	-	1,100		
94-2		2005.1.28	Note 2	Note 3	2,363,300	2,363,200	100	-	100		
103-2		2014.12.18	2024.12.18	Note 4	6,588,808	6,588,808	-	-	-		
113-1		2024.12.6	2034.12.6	Note 5	9,840,720	-	9,840,720	-	9,840,720		
Total					<u>\$34,429,528</u>	<u>\$24,586,608</u>	<u>\$9,842,920</u>	<u>\$-</u>	<u>\$9,842,920</u>		

Note 1: 5-year term, interest accrued and paid semi-annually, annual interest rate for the first 3 years is 4.25% and 4.5% for the last 2 years.

Note 2: No maturity date.

Note 3: Interest accrued and paid semi-annually, based on the average one-year regular floating rate of the nine largest banks plus 1.493%.

Note 4: 10-year term, USD200,000 thousand at par, interest accrued and paid semi-annually, annual rate is 4.5%.

Note 5: 10-year term, USD300,000 thousand at par, interest accrued and paid quarterly, based on compounded daily SOFR+2.04%.

Standard Chartered Bank (Taiwan) Limited
Statement of provisions
December 31, 2024
(Expressed in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Provision for employee benefits		\$221,607	
Provision for decommission, restoration and rehabilitation cost		188,506	
Provision for guarantee liability		81,209	
Other (Note)		14,865	
Total		<u>\$506,187</u>	

Note: Individual accounts less than 5% of the total.

Standard Chartered Bank (Taiwan) Limited
Statement of lease liabilities
December 31, 2024
(Expressed in Thousands of New Taiwan Dollars)

Item	Description	Lease term	Discount rate	Ending balance	Note
Buildings	Leases	2022.07.01~2036.07.31	0.67%~3.34%	\$2,384,025	
Transportations	Car rental	2022.03.01~2025.03.21	1.39%	364	
Other equipment	IT	2024.10.01~2029.09.30	2.26%	265,375	
Total				<u>\$2,649,764</u>	

Standard Chartered Bank (Taiwan) Limited
Statement of deferred tax liabilities
December 31, 2024
(Expressed in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Unrealized interest income on financial assets		\$175,517	
Amortization of goodwill		618,585	
Land value increment tax		39,707	
Unrealized gains on financial assets measured at fair value through other comprehensive income		11,922	
Total		<u>\$845,731</u>	

Statement of other liabilities
December 31, 2024
(Expressed in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Advance received from customers		\$975,280	
Refundable deposits-derivatives financial instruments		5,686,870	
Taxes payable		521,671	
Deferred income		333,401	
Guarantee deposits received		1,863	
Other (Note)		502,437	
Total		<u>\$8,021,522</u>	

Note: Individual accounts less than 5% of the total.

Standard Chartered Bank (Taiwan) Limited
Statement of interest income
For the year ended December 31, 2024
(Expressed in Thousands of New Taiwan Dollars)

Item	Amount	Note
Interest income - discounts and loans	\$9,381,097	
Interest income - accounts receivable factoring	1,085,675	
Interest income - due from banks:		
Due from the Central Bank	83,439	
Due from banks	8,292,952	
Subtotal	8,376,391	
Interest income - investment securities	1,696,503	
Interest income - credit card recurrence	123,090	
Other (Note)	3,332,252	
Total	\$23,995,008	

Note: Individual accounts less than 5% of the total.

Statement of interest expenses
For the year ended December 31, 2024
(Expressed in Thousands of New Taiwan Dollars)

Item	Amount	Note
Interest expenses - deposits:		
Time deposits interest	\$8,552,273	
Demand deposits interest	6,755,604	
Subtotal	15,307,877	
Interest expenses - due to banks	846,772	
Interest expenses - financial debentures	337,750	
Interest expenses - lease liabilities	43,462	
Other (Note)	199,274	
Total	\$16,735,135	

Note: Individual accounts less than 5% of the total.

Standard Chartered Bank (Taiwan) Limited
Statement of net service income
For the year ended December 31, 2024
(Expressed in Thousands of New Taiwan Dollars)

Item	Amount	Note
Service fee:		
Service fee - loans	\$362,817	
Service fee - insurance commissions	3,062,896	
Service fee - credit cards	365,620	
Service fee - trusts	2,990,874	
Service fee - underwriting	105,148	
Other (Note)	962,481	
Subtotal	7,849,836	
Service charge:		
Service charge - interbank	169,312	
Service charge - agency	226,691	
Service charge - custodians	179,136	
Service charge - credit cards	189,893	
Other (Note)	766,763	
Subtotal	1,531,795	
Total	\$6,318,041	

Note: Individual accounts less than 5% of the total.

Standard Chartered Bank (Taiwan) Limited

Statement of gains on financial assets or liabilities at fair value through profit or loss

For the year ended December 31, 2024

(Expressed in Thousands of New Taiwan Dollars)

Amount	Total	Note
Gains on disposal:		
Interest-rate instruments		
Government bonds	\$6,606	
Corporate bonds	(8,552)	
Subtotal	(1,946)	
Derivative financial instruments	4,998,684	
Subtotal	4,996,738	
Gains (losses) on valuation:		
Interest rate instruments		
Government bonds	(19,898)	
Corporate bonds	(7,567)	
Subtotal	(27,465)	
Derivative financial instruments	467,684	
Subtotal	440,219	
Interest income	106,792	
Total	\$5,543,749	

Standard Chartered Bank (Taiwan) Limited
Statement of impairment losses and reversal of impairment loss on assets
For the year ended December 31, 2024
(Expressed in Thousands of New Taiwan Dollars)

Item	Amount on impairment loss	Amount on reversal of impairment loss	Note
Impairment losses - debt instrument investments	\$659	\$-	
Impairment losses - other	(38)	-	
Total	<u>\$621</u>	<u>\$-</u>	

Standard Chartered Bank (Taiwan) Limited
Statement of employee benefits
For the year ended December 31, 2024
(Expressed in Thousands of New Taiwan Dollars)

Item	Employee benefit expense	Other general and administrative expense	Total	Note
Salary expenses	\$4,586,279	\$-	\$4,586,279	
Employee insurance	320,946	-	320,946	
Pension expenses:				
Define contribution plan	160,941	-	160,941	
Define benefit plan	35,177	-	35,177	
Director's remuneration	-	7,081	7,081	
Other (Note 1)	217,949	-	217,949	
Total	<u>\$5,321,292</u>	<u>\$7,081</u>	<u>\$5,328,373</u>	

Note 1: Individual accounts less than 5% of the total.

Note 2:

- a. The average numbers of the Company's employees for the years ended December 31, 2024 and 2023 were 2,375 and 2,511, respectively, of which the number of directors who had not served concurrently as employees were both 6.
- b. The average employee benefit expense for the year ended December 31, 2024 was \$2,246 thousand.
(refer to table above "Total of employee benefit expense"- "Director's remuneration"/ "Total number to employees"-
"The number of directors who had not served concurrently as employees")
The average employee benefit expense for the year ended December 31, 2023 was \$2,044 thousand.
(refer to "Total of employee benefit expense"- "Director's remuneration" for 2023/ "Total number to employees"-
"The number of directors who had not served concurrently as employees" for 2023)
- c. The average salary expense for the year ended December 31, 2024 was \$1,936 thousand.
(refer to table above "Total salary expense"/ "Total number of employees"-
"The number of directors who had not served concurrently as employees")
The average salary expense for the year ended December 31, 2023 was \$1,754 thousand.
(refer to "Total salary expense" for 2023/ "Total number of employees"-
"The number of directors who had not served concurrently as employees" for 2023)
- d. The change of average salary expense increased 10%.
- e. The Supervisor's remuneration for the years ended December 31, 2024 and 2023 were both \$0.
- f. The amount of remuneration paid by the Company to independent directors is determined according to the role (such as: chairman, members), the number and nature of participating committees, the frequency of meetings of various committees, and the external market data. The Company's approach to performance, reward and benefits is consistent with effective risk management and the delivery of our strategy and values.
The elements of the Company's remuneration are as follows:
Fixed remuneration: refers to base salary, allowances and other benefits. Salaries reflect individual's skills and experience and are reviewed annually against market information and in the context of annual performance assessment and affordability.
Benefits are provided to employees in line with relevant regulation and local market practice.
Variable remuneration: rewards and incentivizes the achievement of the Company and business unit's as well as individual objectives including the adherence to the Company's Valued Behaviours. All employees are subject to the Company's deferral mechanism, which applies a graduated level of deferral over a defined threshold.
Variable remuneration is subject to the Company's Regulation of Variable Compensation Standard, which enables the Company to suspend payment or vesting of awards, apply in-year adjustments, apply malus to unvested awards, and apply claw-back to vested variable remuneration, in appropriate circumstances.
The proportion of fixed to variable remuneration awarded to employees is carefully monitored.

Standard Chartered Bank (Taiwan) Limited
Statement of depreciation and amortization expenses
For the year ended December 31, 2024
(Expressed in Thousands of New Taiwan Dollars)

Item	Amount	Note
Depreciation expenses:		
Buildings	\$37,433	
Office equipment	38,206	
Leasehold improvements	78,537	
Other equipment	95,391	
Right-of-use assets	405,837	
Subtotal	655,404	
Amortization expenses	1,128	
Total	\$656,532	

Standard Chartered Bank (Taiwan) Limited
Statement of other general and administrative expenses
For the year ended December 31, 2024
(Expressed in Thousands of New Taiwan Dollars)

Item	Amount	Note
Rental expenses	\$2,348	
Office supplies	69,580	
Postage	146,827	
Repairs and maintenance	106,820	
Advertising expenses	151,365	
Utilities fees	59,002	
Taxes	1,006,489	
Professional service fees	107,745	
Operational and advisory service fees	1,120,526	
Consulting and technical support service fees	924,529	
Wholesale banking business service fees	103,469	
Building management fees	120,593	
Computer management fees	354,668	
Director's remuneration	7,081	
Other (Note)	434,057	
Total	<u>\$4,715,099</u>	

Note : Individual accounts less than 5% of the total.

**STANDARD CHARTERED BANK (TAIWAN)
LIMITED SECURITIES DEPARTMENT**

Financial Statements

For the Years Ended December 31, 2024 and 2023

Securities Department Financial Statements

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STANDARD CHARTERED BANK (TAIWAN) LIMITED SECURITIES DEPARTMENT

Balance Sheets

December 31, 2024 and 2023

(Expressed in thousands of New Taiwan Dollars)

			December 31, 2024		December 31, 2023		
			Note	Amount	%	Amount	%
Assets							
110000	Current Assets						
112000	Financial assets at fair value through profit or loss	6(1)	\$9,097,532	15	\$8,398,924	15	
113200	Financial assets at fair value through other comprehensive income	6(2)	15,673,503	26	23,683,845	41	
113300	Financial assets measured at amortized cost	6(3) & 6(8)	2,701,363	4	4,718,441	8	
114010	Securities and bonds purchased under resell agreements	6(4) & 6(8)	31,897,698	52	19,659,335	34	
114130	Accounts receivable	6(5) & 7	1,269,727	2	311,344	1	
119000	Other current assets		68,106	-	72,009	-	
Current Assets			60,707,929	99	56,843,898	99	
120000	Non-current assets						
129000	Other non-current assets	8	40,300	-	40,300	-	
129080	Other financial assets	6(6), 6(8) & 8	344,110	1	350,673	1	
Non-current Assets			384,410	1	390,973	1	
Total assets			\$61,092,339	100	\$57,234,871	100	
Liabilities and Equity							
210000	Current Liabilities						
214130	Accounts payable	6(7)	\$1,103,674	2	\$-	-	
Current Liabilities			1,103,674	2	-	-	
229110	Intercompany		57,431,914	94	54,882,066	96	
Total Liabilities			58,535,588	96	54,882,066	96	
300000	Equity						
301110	Capital surplus		2,000,000	3	2,000,000	3	
304040	Retained earnings		625,476	1	431,385	1	
305000	Other equity		(68,725)	-	(78,580)	-	
Total equity			2,556,751	4	2,352,805	4	
Total liabilities and equity			\$61,092,339	100	\$57,234,871	100	

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

English Translation of Financial Statements Originally Issued in Chinese

STANDARD CHARTERED BANK (TAIWAN) LIMITED SECURITIES DEPARTMENT

Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

(Expressed in thousands of New Taiwan Dollars)

		2024		2023		
		Note	Amount	%	Amount	%
400000	Operating revenue					
401000	Brokerage handling fee revenue	7	\$287	1	\$463	-
404000	Revenue from underwriting business	7	105,148	15	25,220	6
411000	Losses on sale of trading securities	6(1)	(19,470)	(3)	(21,741)	(5)
421200	Interest income	6(1)	614,445	90	440,160	95
421500	Valuation (losses) gains on trading securities at fair value through profit or loss	6(1)	(27,466)	(4)	13,079	3
425300	Expected credit reversal gains		207	-	1,569	-
428000	Other operating income	7	7,275	1	2,580	1
	Total operating revenue		680,426	100	461,330	100
500000	Operating expenses					
502000	Brokerage handling fee expenses		3	-	11	-
528000	Other operating losses	7	20,029	3	-	-
531000	Employee benefit expenses		19,674	3	17,955	4
533000	Other operating expenses		15,244	2	11,979	2
	Total operating expenses		54,950	8	29,945	6
902005	Profit		625,476	92	431,385	94
805000	Other comprehensive income					
805600	Components of other comprehensive income that will be reclassified to profit or loss					
805615	Revaluation gains (losses) from investments in debt instruments measured at fair value through other comprehensive income		9,909	1	190,553	41
805618	Provision of impairment losses from investments in debt instruments measured at fair value through other comprehensive income		(54)	-	(1,544)	-
805000	Other comprehensive income		9,855	1	189,009	41
902006	Total comprehensive Income		\$635,331	93	\$620,394	135

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

English Translation of Financial Statements Originally Issued in Chinese
STANDARD CHARTERED BANK (TAIWAN) LIMITED SECURITIES DEPARTMENT
Notes to the Financial Statements
For the years ended December 31, 2024 and 2023
(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. Security department and operation

(1) On May 6, 2015, the Company was approved to start engaging in underwriting of bonds and marketable securities (limited to fixed income securities). On July 27, 2015, the securities department of the Company and offshore banking unit (OBU) started engaging in foreign exchange trading; the Company was approved to conduct its own foreign securities business on November 10, 2017.

(2) Main business includes:

- (a) Foreign exchange trading
- (b) Various bonds and securitized commodities on their business premises (limited to fixed income securities)
- (c) Foreign securities business on its own business premises
- (d) Underwriting bonds and securitized commodities (limited to fixed income securities).

2. Date and procedures of authorization for issuance of the financial statements

The date and procedure of the securities department's financial statements are the same as the Company's financial statements. Please refer to the Company's financial statements note 2.

3. Newly issued or revised standards and interpretations

The application of the newly issued and revised standards and interpretations by the securities department of the Company is the same as the financial statements of the Company. Please refer to the Company's financial statements note 3.

4. Summary of significant accounting policies

The financial statements of the securities department of the Company have been prepared in conformity with Regulations Governing the Preparation of Financial Reports by Securities Firms, and International Financial Reporting Standards (IFRS), International Accounting Standard (IAS), Interpretations developed by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee endorsed by FSC. Significant accounting policies adopted in the financial statements are summarized as below:

(1) Current and non-current distinction

Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

STANDARD CHARTERED BANK (TAIWAN) LIMITED SECURITIES DEPARTMENT
Notes to the Financial Statements (Continued)
(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

- (a) The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- (b) The Company holds the asset primarily for the purpose of trading;
- (c) The Company expects to realize the asset within 12 months after the reporting period;
- (d) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

- (a) The Company expects to settle the liability in its normal operating cycle
- (b) The Company holds the liability primarily for the purpose of trading
- (c) The liability is due to be settled within 12 months after the reporting period
- (d) The Company does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(2) Basis of preparation

The financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value.

(3) Foreign currency

Except for accounts in the OBU of the Company that are denominated in US Dollars, accounts in all entities are denominated in New Taiwan Dollars. For those transactions denominated in foreign currencies, assets and liabilities are recorded in their original foreign currencies, while all income and expense accounts are denominated in original foreign currencies and translated into New Taiwan Dollars at the daily closing exchange rates. At the report date, the financial statements amount in all foreign currencies are translated into New Taiwan Dollars at ruling exchange rates assigned on that date. The Company's financial statements are presented in New Taiwan Dollars, the functional currency of the Company. All financial information presented in New Taiwan Dollars is expressed in thousands of New Taiwan Dollars, unless otherwise specified. Foreign exchange differences arising from the conversion of currency are recognized in current period profit or loss.

(4) Financial instruments

Financial assets

Financial assets held by securities department of the Company are recorded on the trading date.

STANDARD CHARTERED BANK (TAIWAN) LIMITED SECURITIES DEPARTMENT
Notes to the Financial Statements (Continued)
(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

Financial assets are recognized when securities department of the Company becomes the party of a financial instrument contract. 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).

Securities department of the Company shall reclassify all affected financial assets only when it changes its business model for managing its financial assets.

(a) Financial assets measured at amortized cost

i. Debt instrument investments measured at amortized cost

When a financial asset meets both of the following conditions and is not designated as at FVTPL, it is measured at amortized cost;

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

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment 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.

ii. Securities and bonds under repurchase/resell agreements

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

iii. Receivables

Receivables should be evaluated at every reporting date whether or not the credit risks have increased significantly after initial recognition. One estimate is by comparing the default risk at reporting date and initial recognition date, and considering the reasonableness and verifiable information of the increase in credit risk since initial recognition as the estimate basis for default risk and expected loss rate to calculate the expected credit loss. Another estimate follows Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans issued by the FSC and other related regulations. Final provision will be based on the higher of the two estimates.

STANDARD CHARTERED BANK (TAIWAN) LIMITED SECURITIES DEPARTMENT
Notes to the Financial Statements (Continued)
(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

(b) Fair value through other comprehensive income (FVOCI)

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

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

Debt instrument investments at fair value through other comprehensive income should be valued at fair value on the reporting date, and the changes in value shall be listed in other comprehensive income as adjustment items. It should also use the effective rate to amortize the discount premium and calculate the interest receivable on an accrual basis, as well as recognize the credit impairment loss. If the impairment loss related to the events after impairment recognition is reduced in the subsequent period, it is reversed and recognized as profit or loss in the current period. The reversal is limited by the fact that other comprehensive income recognized as impairment adjustment items cannot be negative. Prior to derecognition, the changes in the remaining book values of financial assets, other than foreign currency related financial asset exchange losses, interest income calculated according to effective interest rate, and impairment losses recognized in income, should be recognized in other comprehensive income and accumulated under equity in "Unrealized profit or loss on financial assets at fair value through other comprehensive income." Upon derecognition, the accumulated profit or loss under equity should be reclassified as profit or loss in the current period.

On initial recognition of an equity investment that is not held for trading, securities department of the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. A financial asset measured at FVOCI is initially recognized at fair value, plus any directly attributable transaction costs. These assets are subsequently measured at fair value. Dividends deriving from equity investments are recognized as income in profit or loss, and other net gains and losses of financial assets measured at FVOCI are recognized in OCI. Upon derecognition, gains and losses accumulated in OCI of equity investments are reclassified to retained earnings.

(c) 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 derivative financial assets. On initial recognition, securities department of the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

STANDARD CHARTERED BANK (TAIWAN) LIMITED SECURITIES DEPARTMENT

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

These assets are subsequently measured at fair value, which take into account any dividend and interest income, and recognized in profit or loss.

(d) Impairment of financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Securities department of the Company measures loss allowances for expected credit losses on financial assets measured at amortized cost (Including securities and bonds purchased under resell agreements, receivables, financial assets measured at amortized cost), debt investments measured at FVOCI and contract assets.

Securities department of the Company takes into consideration the reasonable information supported by evidence that can be obtained without excessive cost or input, which includes qualitative and quantitative information, an analysis based on securities department of the Company's past experience, credit evaluation, and prospective information, when determining whether there is a significant increase in the credit risk of financial assets since initial recognition. If a financial asset or portfolio of financial assets does not experience a significant increase in credit risk since initial recognition, the loss allowances are measured at 12-month ECL; and such assets are classified as Stage 1 assets. However, if a financial asset, or portfolio of financial assets, experiences a significant increase in credit risk since initial recognition, an ECL allowance should be recognized for default events that may occur over the lifetime of the asset; and such assets are classified as Stage 2 assets.

Lifetime ECLs 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 securities department of the Company is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses during the expected lifetime of financial assets. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to securities department of the Company in accordance with the contract and the cash flows that securities department of the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

STANDARD CHARTERED BANK (TAIWAN) LIMITED SECURITIES DEPARTMENT

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

At each reporting date, securities department of the Company assesses whether financial assets at amortized cost and debt instrument investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt instrument investments at FVOCI, the loss allowance is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when securities department of the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with securities department of the Company's procedures for recovery of amounts due.

Please refer to the Company's financial report for the judgment on whether the credit risk has significantly increased after initial recognition and prospective adjustments.

(e) Derecognition of financial assets

Financial assets are derecognized when the contractual rights to the cash flows from the assets expire, or when the Company transfers substantially all the risks and rewards of ownership of the financial assets.

If majority of the risks and rewards are not kept nor transferred, while securities department of the Company still possess the ownership of the financial assets, then securities department of the Company shall continuously recognize it as assets according to the extent of its own involvement.

(f) Reclassification of financial assets

Only when the business model of financial assets management is changed does securities department of the Company reclassifies the affected financial assets according to regulations.

(5) Refundable security deposits

According to the Regulations Governing Securities Firms, the securities department of the Bank lodged operation bond and recorded them under other non-current assets, based on the nature of security business.

STANDARD CHARTERED BANK (TAIWAN) LIMITED SECURITIES DEPARTMENT

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

Based on settlement reserves placed in the Taipei Exchange's electronic bond trading system, which was prepared in accordance with the related regulation, those who had engaged transactions using this system should deposit an amount as settlement reserves for bond proprietary trading; those who had engaged transactions in Taiwan Securities Association fund should deposit an amount as self-regulatory fund deposits.

(6) Revenue recognition

- (a) Profit or loss on disposal of trading securities, and relevant brokerage securities transaction charges are recognized at the trading date.
- (b) Brokerage handling fee revenue are recognized at the trading date.
- (c) Revenue from underwriting business are recognized right after the underwriting service are made.
- (d) Interest income: interest income from investments in debt instruments measured at amortized cost and fair value through other comprehensive income are required to be calculated using the effective interest rate method; interest income from securities purchased under resell agreements are measured at accrual basis, according to its principal amount, interest rate and settlement date.
- (e) Operating expenses: Expenses derived from the operating of securities department are mainly classified under employee benefits expense and other operating expense.

(7) Change in accounting policy

From January 1, 2023, in response to the changing of trading system for debt securities of the Standard Chartered Group, to more properly reflect the economic substance while calculating the cost, gain and loss of investment, in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks, the company had been approved the below change of accounting policy by Financial Supervisory Commission of the Republic of China through Jin-Guan-Yin-(Wai)-Zi No. 1110233582 on March 13, 2023. The inventory costing method to the investment on debt securities was changed from Weighted Average Cost to First In First Out method beginning on January 1, 2023. However, due to the limitation and constraint of current transaction system design for debt securities, it is impractical to determine the effects of above mentioned change for the period ended December 31, 2022 and the cumulative effect of the change. Retrospective application is also impractical.

5. Significant accounting judgments, estimates and assumptions

When preparing financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms and the IFRSs endorsed by the FSC, securities department of the Company is required to make judgments, estimates, and assumptions on valuation of below assets that may causes differences between actual results and estimates. Subsequently, it affects the adoption of accounting policies, reported amounts of assets, liabilities, revenues, and expenses.

STANDARD CHARTERED BANK (TAIWAN) LIMITED SECURITIES DEPARTMENT
Notes to the Financial Statements (Continued)
(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

The securities department of the Company keeps testing applicable judgements, estimates and assumptions. Adjustment will be done due to any impacts of changes in the uncertainty mentioned above; and changes will be recognized in the period when they applied.

Below shows the management judgments, estimates, and assumptions that contain risk, and may cause adjustments in the current and future accounting period due to uncertainty.

Valuation of financial instruments

Fair value of financial instruments is determined using valuation techniques when there is no active market or quoted price. Under this circumstance, fair value is assessed through relevant observable information or model. If there are no observable market parameters, the fair value of financial instruments can be evaluated based on appropriate assumptions. When valuation technique is used to determine fair value, all models shall be calibrated to ensure that all outputs reflect the actual data and the market price. The valuation techniques are adopted, as much as possible, from observable data. However, for credit risk (risk between itself and counterparty), the management shall estimate volatility and correlation.

6. Contents of significant accounts

As of December 31, 2024, the Offshore banking unit of the securities department of the Company has not yet completed relevant business. The following details do not include the amount of Offshore banking unit.

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

The financial assets at fair value through profit or loss of the securities department of the Company were as follows:

	December 31, 2024	December 31, 2023
Securities held for operations-dealing:		
Government bonds	\$6,496,053	\$4,689,853
Corporate bonds	2,601,479	3,507,823
Financial bonds	-	201,248
Total	<u>\$9,097,532</u>	<u>\$8,398,924</u>

For the years ended December 31, 2024 and 2023, relevant operating details of the securities department of the Company were as follows:

	2024	2023
(Losses) gains on sale of trading securities	<u>\$(1,946)</u>	<u>\$11,855</u>
Interest income	<u>\$74,231</u>	<u>\$63,524</u>
Valuation (losses) gains on trading securities measured at fair value through profit or loss	<u>\$(27,466)</u>	<u>\$13,079</u>

STANDARD CHARTERED BANK (TAIWAN) LIMITED SECURITIES DEPARTMENT
Notes to the Financial Statements (Continued)
(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

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

The financial assets at fair value through other comprehensive income of securities department of the Company were as follows:

	December 31, 2024	December 31, 2023
Government bonds	\$15,673,503	\$23,683,845
Revaluation adjustment of hedge items	\$-	\$-

As of December 31, 2024 and 2023, the allowance for impairments of the above debt investment were \$3,471 thousand and \$1,108 thousand respectively.

Changes in the allowance for impairments of the above debt investments were as follows:

	2024				
	12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses (non-purchased or originated credit impaired financial assets)	Lifetime expected credit losses (purchased or originated credit impaired financial assets)	Impairment losses according to IFRS 9 (total)
Beginning balance	\$1,108	\$-	\$-	\$-	\$1,108
Changes due to financial instrument recognition:					
Financial assets derecognized during the period	(912)	-	-	-	(912)
New financial assets originated or purchased	3,275	-	-	-	3,275
Foreign currency exchange and other changes	-	-	-	-	-
Ending Balance	\$3,471	\$-	\$-	\$-	\$3,471

	2023				
	12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses (non-purchased or originated credit impaired financial assets)	Lifetime expected credit losses (purchased or originated credit impaired financial assets)	Impairment losses according to IFRS 9 (total)
Beginning balance	\$2,652	\$-	\$-	\$-	\$2,652
Changes due to financial instrument recognition:					
Financial assets derecognized during the period	(1,039)	-	-	-	(1,039)
New financial assets originated or purchased	265	-	-	-	265
Foreign currency exchange and other changes	(770)	-	-	-	(770)
Ending Balance	\$1,108	\$-	\$-	\$-	\$1,108

STANDARD CHARTERED BANK (TAIWAN) LIMITED SECURITIES DEPARTMENT

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

Changes in the book value of the financial assets at fair value through other comprehensive income-debt instruments mentioned above were as follow:

	2024				
	12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses (non-purchased or originated credit impaired financial assets)	Lifetime expected credit losses (purchased or originated credit impaired financial assets)	Impairment losses according to IFRS 9 (total)
Beginning balance	\$23,683,845	\$-	\$-	\$-	\$23,683,845
Changes due to financial instrument recognition:					
Financial assets derecognized during the period	(17,775,822)	-	-	-	(17,775,822)
New financial assets originated or purchased	9,765,784	-	-	-	9,765,784
Foreign currency exchange and other changes	(304)	-	-	-	(304)
Ending Balance	<u>\$15,673,503</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$15,673,503</u>

	2023				
	12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses (non-purchased or originated credit impaired financial assets)	Lifetime expected credit losses (purchased or originated credit impaired financial assets)	Impairment losses according to IFRS 9 (total)
Beginning balance	\$47,788,786	\$-	\$-	\$-	\$47,788,786
Changes due to financial instrument recognition:					
Financial assets derecognized during the period	(28,747,025)	-	-	-	(28,747,025)
New financial assets originated or purchased	4,644,104	-	-	-	4,644,104
Foreign currency exchange and other changes	(2,020)	-	-	-	(2,020)
Ending Balance	<u>\$23,683,845</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$23,683,845</u>

(3) Financial assets measured at amortized cost

The financial assets measured at amortized cost of the securities department of the Company were as follows:

	December 31, 2024	December 31, 2023
Government bonds	<u>\$2,701,363</u>	<u>\$4,718,441</u>

As of December 31, 2024 and 2023, the allowance of impairments of the above financial assets measured at amortized cost were \$153 thousand and \$269 thousand respectively.

STANDARD CHARTERED BANK (TAIWAN) LIMITED SECURITIES DEPARTMENT
Notes to the Financial Statements (Continued)
(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

Changes in the allowance for impairments of the above debt investments were as follows:

	2024				
	12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses (non-purchased or originated credit impaired financial assets)	Lifetime expected credit losses (purchased or originated credit impaired financial assets)	Impairment losses according to IFRS 9 (total)
Beginning balance	\$269	\$-	\$-	\$-	\$269
Changes due to financial instrument recognition:					
Financial assets derecognized during the period	(73)	-	-	-	(73)
New financial assets originated or purchased	-	-	-	-	-
Foreign currency exchange and other changes	(43)	-	-	-	(43)
Ending Balance	\$153	\$-	\$-	\$-	\$153

	2023				
	12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses (non-purchased or originated credit impaired financial assets)	Lifetime expected credit losses (purchased or originated credit impaired financial assets)	Impairment losses according to IFRS 9 (total)
Beginning balance	\$301	\$-	\$-	\$-	\$301
Changes due to financial instrument recognition:					
Financial assets derecognized during the period	(97)	-	-	-	(97)
New financial assets originated or purchased	148	-	-	-	148
Foreign currency exchange and other changes	(83)	-	-	-	(83)
Ending Balance	\$269	\$-	\$-	\$-	\$269

(4) Securities and bonds purchased under resell agreements

	December 31, 2024	December 31, 2023
Bonds purchased under resell agreements	\$31,897,698	\$19,659,335
Face value of bonds	\$34,708,000	\$21,437,000
Interest rate	1.49%~1.68%	1.15%~1.40%
Last settlement date	2025.3.14	2024.1.29
Resell price	\$31,954,760	\$19,677,495

STANDARD CHARTERED BANK (TAIWAN) LIMITED SECURITIES DEPARTMENT

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

As of December 31, 2024 and 2023, allowance for impairments of the above securities and bonds purchased under resell agreements were \$17 thousand and \$55 thousand, respectively.

Changes in the allowance for impairments of the above securities and bonds purchased under resell agreements were as follows:

	2024				
	12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses (non-purchased or originated credit impaired financial assets)	Lifetime expected credit losses (purchased or originated credit impaired financial assets)	Impairment losses according to IFRS 9 (total)
Beginning balance	\$55	\$-	\$-	\$-	\$55
Changes due to financial instrument recognition:					
Financial assets derecognized during the period	(55)	-	-	-	(55)
New financial assets originated or purchased	17	-	-	-	17
Ending Balance	\$17	\$-	\$-	\$-	\$17

	2023				
	12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses (non-purchased or originated credit impaired financial assets)	Lifetime expected credit losses (purchased or originated credit impaired financial assets)	Impairment losses according to IFRS 9 (total)
Beginning balance	\$47	\$-	\$-	\$-	\$47
Changes due to financial instrument recognition:					
Financial assets derecognized during the period	(47)	-	-	-	(47)
New financial assets originated or purchased	55	-	-	-	55
Ending Balance	\$55	\$-	\$-	\$-	\$55

(5) Accounts receivable

	December 31, 2024	December 31, 2023
Interest receivables	\$165,836	\$307,884
Accounts receivable-related parties	853	3,460
Unsettled bonds receivable	1,103,038	-
Total	\$1,269,727	\$311,344

STANDARD CHARTERED BANK (TAIWAN) LIMITED SECURITIES DEPARTMENT

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

(6) Other financial assets

	December 31, 2024	December 31, 2023
Restricted assets-debt instruments	<u>\$344,110</u>	<u>\$350,673</u>

(7) Payables

	December 31, 2024	December 31, 2023
Unsettled bonds payable	\$1,092,041	\$-
Other	11,633	-
Total	<u>\$1,103,674</u>	<u>\$-</u>

(8) Fair value of financial instruments

(a) Fair value of financial instruments

	December 31, 2024	
	Book Value	Fair Value
Amortized cost	\$2,701,363	\$2,683,831
Securities and bonds purchased under resell agreements	31,897,698	31,939,273
Other financial assets	344,110	344,110
	December 31, 2023	
	Book Value	Fair Value
Amortized cost	\$4,718,441	\$4,703,664
Securities and bonds purchased under resell agreements	19,659,335	19,633,946
Other financial assets	350,673	350,673

(b) Information of financial risk

Please refer to the Company's financial statements on financial risk for more details.

STANDARD CHARTERED BANK (TAIWAN) LIMITED SECURITIES DEPARTMENT

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

7. Related party transactionsName and relationship of related parties

Name	Relationship with the Company
Standard Chartered PLC (“SC PLC”)	The ultimate parent company
Standard Chartered Bank Hong Kong Limited (“SCB Hong Kong”)	Parent company of SC NEA
Standard Chartered NEA Limited (“SC NEA”)	Parent company
Standard Chartered Bank (“SCB”)	Affiliate
Standard Chartered Bank Singapore (“SCB Singapore”)	Affiliate
Standard Chartered Bank North America (“SCB North America”)	Affiliate
Standard Chartered Bank Dubai (“SCB Dubai”)	Affiliate
Standard Chartered Bank Korea (“SCB Korea”)	Affiliate
Standard Chartered Bank France (“SCB France”)	Affiliate
Standard Chartered Bank Saudi Arabia (“SCB Saudi”)	Affiliate
Standard Chartered Bank Germany (“SCB Germany”)	Affiliate
Standard Chartered Bank China (“SCB China”)	Affiliate

Significant transactions with related parties

Name	2024	2023
Brokerage handling fee revenue:		
SCB	\$272	\$397
SCB Hong Kong	15	66
Total	<u>\$287</u>	<u>\$463</u>
Revenue from underwriting business:		
SCB	\$-	\$1,935
Other	-	10
Total	<u>\$-</u>	<u>\$1,945</u>
Other operating losses:		
SCB Dubai	\$13,893	\$-
SCB Korea	2,630	-
SCB Saudi	1,804	-
SCB France	1,702	-
Total	<u>\$20,029</u>	<u>\$-</u>
	December 31, 2024	December 31, 2023
Accounts receivable-related parties:		
SCB	\$853	\$397
SCB Hong Kong	-	3,063
Total	<u>\$853</u>	<u>\$3,460</u>

STANDARD CHARTERED BANK (TAIWAN) LIMITED SECURITIES DEPARTMENT

Notes to the Financial Statements (Continued)

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

8. Pledged assets

Refundable security deposits set as pledged assets made in accordance with the relevant regulations of governing bank operations were as follows:

Pledged assets	Pledged for	December 31, 2024	December 31, 2023
Negotiable certificates of deposit, bonds (recorded under other non-current financial assets)	Trust indemnity reserve	\$147,700	\$150,289
	Operation Bond for securities broker	49,102	50,096
	Operation Bond for securities underwriter	39,282	40,077
	Operation Bond for securities dealer	9,821	10,019
	Bond payment settlement reserve	98,205	100,192
		344,110	350,673
Guarantee deposits paid (recorded under other non-current assets)	Bond payment settlement reserve, and self-regulatory fund deposit	40,300	40,300
Total		\$384,410	\$390,973

9. Significant commitments and contingent liabilities

None.

10. Significant loss due to disasters

None.

11. Significant subsequent events

None.

12. Others

None.

13. Other disclosure items

The following is the information on significant transactions required by the ‘Regulations Governing the Preparation of Financial Reports by Securities Issuers’ for the securities department of the Company for the year ended December 31, 2024:

STANDARD CHARTERED BANK (TAIWAN) LIMITED SECURITIES DEPARTMENT
Notes to the Financial Statements (Continued)
(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

- (1) Related information on significant transactions:
 - (a) Loans to other parties: None.
 - (b) Guarantees and endorsements for other parties: None.
 - (c) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
 - (d) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
 - (e) Service charge discounts on transactions with related parties in an aggregate amount of NT\$5 million or more: None.
 - (f) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None.
 - (g) Details of material transactions between parent company and subsidiaries: None.
- (2) Information on long-term equity investments: None.
- (3) Related information on overseas branches and representative offices: None.
- (4) Information on investments in Mainland China: None.
- (5) Major shareholder information: Securities firms whose stocks have been listed on the stock exchange or traded over the counter at the securities firm's business premises should disclose the names, shareholding amounts and proportions of shareholders whose equity ratio exceeds 5%: Not applicable.

Standard Chartered Bank (Taiwan) Limited Securities Department
Statement of financial assets measured at fair value through profit or loss
December 31, 2024
(Expressed in thousands of New Taiwan Dollars)

Name of financial instrument	Description	Shares or units	Par value	Total amount	Interest rate	Acquisition cost	Fair value		Fair value changes attributable to the changes in credit risk	Note
							Unit price	Total amount		
A09101		-	-	\$2,600,000	0.50%	\$2,598,924	100.45	\$2,611,671	\$-	
A05111		-	-	1,350,000	0.63%	1,332,203	98.92	1,335,424	-	
A13101		-	-	800,000	1.13%	797,868	100.71	805,662	-	
A13201		-	-	600,000	1.13%	598,112	100.46	602,740	-	
A09107		-	-	550,000	0.25%	545,690	99.49	547,197	-	
B903Y9		-	-	500,000	1.65%	500,297	100.74	503,704	-	
Other (Note)		-	-	2,700,000	0.13%~1.75%	2,725,332	93.93~101.39	2,691,134	-	
Total				<u>\$9,100,000</u>		<u>\$9,098,426</u>		<u>\$9,097,532</u>	<u>\$-</u>	

Note: Individual accounts less than 5% of the total.

Standard Chartered Bank (Taiwan) Limited Securities Department

Statement of financial assets measured at fair value through other comprehensive income

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Name of financial instrument	Description	Shares or units	Par value	Total amount	Interest rate	Acquisition cost	Accumulated impairment	Fair value		Note
								Unit price	Total amount	
A11108		-	-	\$2,600,000	1.25%	\$2,599,579	\$202	99.33	\$2,582,494	
A13101		-	-	2,300,000	1.13%	2,296,719	179	99.68	2,292,641	
A94103		-	-	1,800,000	2.38%	1,868,453	30	100.13	1,802,415	
A12106		-	-	1,450,000	1.00%	1,442,270	101	98.22	1,424,148	
A10108		-	-	1,100,000	0.25%	1,073,962	84	98.17	1,079,839	
A13201		-	-	1,050,000	1.13%	1,045,399	81	99.63	1,046,077	
A10101		-	-	950,000	0.25%	930,673	66	98.79	938,478	
A11106		-	-	900,000	1.00%	895,644	70	98.82	889,352	
A11103		-	-	900,000	0.50%	881,345	42	97.96	881,614	
A05111		-	-	800,000	0.63%	788,821	61	98.68	789,468	
Other (Note)		-	-	1,950,000	0.25%~2.00%	1,951,832	111	98.54~101.09	1,946,977	
Total			-	<u>\$15,800,000</u>		<u>\$15,774,697</u>	<u>\$1,027</u>		<u>\$15,673,503</u>	

Note: Individual accounts less than 5% of the total.

Standard Chartered Bank (Taiwan) Limited Securities Department

Statement of financial assets measured at amortized cost

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Name of financial instrument	Description	Shares or units	Par value	Total Amount	Interest rate	Carrying amount	Accumulated impairment	Note
A09101		-	-	\$800,000	0.50%	\$800,025	\$6	
A10108		-	-	200,000	0.25%	197,489	15	
A11106		-	-	700,000	1.00%	698,687	54	
A11108		-	-	600,000	1.25%	602,687	47	
A12106		-	-	200,000	1.00%	199,011	15	
A96102		-	-	200,000	2.00%	203,617	16	
Total				<u>\$2,700,000</u>		<u>\$2,701,516</u>	<u>\$153</u>	

Standard Chartered Bank (Taiwan) Limited Securities Department

Statement of securities and bonds purchased under resell agreements

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Name	Terms		Interest rate		Bonds		Trading Amount	Note
	Start Date	Maturity Date	Maturity Date		Type	Par value		
Other (Note)	113.10.07~113.12.30	114.01.02~114.03.14	1.49%~1.68%			34,708,000	31,897,715	
Total						<u>\$34,708,000</u>	<u>\$31,897,715</u>	

Note: Individual accounts less than 5% of the total.

Standard Chartered Bank (Taiwan) Limited Securities Department

Statement of revenue from underwriting business

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Month	Securities underwriting compensation	Consignment securities handling fee revenue	Underwriting operation revenue	Underwriting asset revenue	Other revenue	Total	Note
January	\$-	\$-	\$-	\$21,576	\$-	\$21,576	
February	-	-	-	410	-	410	
March	-	-	-	3,048	-	3,048	
April	-	-	-	19,471	-	19,471	
May	-	-	-	-	-	-	
June	-	-	-	-	-	-	
July	-	-	-	32,137	-	32,137	
August	-	-	-	95	-	95	
September	-	-	-	9,461	-	9,461	
October	-	-	-	11,503	-	11,503	
November	-	-	-	18,456	-	18,456	
December	-	-	-	(11,009)	-	(11,009)	
Total	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$105,148</u>	<u>\$-</u>	<u>\$105,148</u>	

Standard Chartered Bank (Taiwan) Limited Securities Department

Statement of gain on sale of trading securities

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Revenue	Cost	Profit	Note
Securities trading at business establishment	\$15,326,498	\$15,345,968	\$(19,470)	

Standard Chartered Bank (Taiwan) Limited Securities Department

Statement of interest income

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Bonds interest income		\$287,441	
Interest income from bond purchased under resell agreements		<u>327,004</u>	
Total		<u><u>\$614,445</u></u>	

Appendix 2 : Directory of Branches and Offices

Branch Name	Address	Telephone No.	Fax No.	Business Hours
Head Office	3-6F, 17-19F, No.179 & 1f, No.177 Liaoning St., Zhongshan Dist., Taipei City	4058-0088 4066-8688 4051-0088		
Nanjing Branch	No.161, Sec. 4, Nanjing E. Rd., Songshan Dist., Taipei City	02-66023000	02-87127885	09:00-15:30
Neihu Branch	No.69, Donghu Rd., Neihu Dist., Taipei City	02-26318888	02-26326910	09:00-15:30
Tianmu Branch	No.48, Sec. 2, Zhongcheng Rd., Shilin Dist., Taipei City	02-66107600	02-66107699	09:00-15:30
Xinyi Branch	2F, No.97, Songren Rd, Xinyi Dist., Taipei City	02-27206118	02-66397033	09:00-15:30
Ren'ai Branch	No.1, Sec. 4, Ren'ai Rd., Da'an Dist., Taipei City	02-66363700	02-66363799	09:00-15:30
Dunhua Branch	No.39, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City	02-66396000	02-23257588	09:00-15:30
Guting Branch	No. 111, Sec. 2, Roosevelt Rd., Da'an Dist., Taipei City	02-66408888	02-23698569	09:00-15:30
Dunbei Branch	No.170, Dunhua N. Rd., Songshan Dist., Taipei City	02-66037168	02-27174547	09:00-15:30
Zhongshan Branch	No.136, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City	02-66197200	02-66197299	09:00-15:30
Dazhi Branch	No.676, Mingshui Rd., Zhongshan Dist., Taipei City	02-66107500	02-85021610	09:00-15:30
Main Branch	No. 177, Liaoning St., Zhongshan Dist., Taipei City	02-66192900	02-27722589	09:00-15:30
Fuxing Branch	No.420, Fuxing N. Rd., Zhongshan Dist., Taipei City	02-66027676	02-66083068	09:00-15:30
Jinshan Branch	No.151, Sec.2, Xinyi Rd., Zhongzheng Dist., Taipei City	02-66010700	02-23218766	09:00-15:30
Banqiao Branch	2F, No.1-1, Xinfu Rd., Banqiao Dist., New Taipei City	02-66215700	02-66215799	09:00-15:30
Xindian Branch	No.108, Sec. 1, Beixin Rd., Xindian Dist., New Taipei City	02-66025988	02-89146327	09:00-15:30
Yonghe Branch	No. 248, Ren'ai Rd., Yonghe Dist., New Taipei City	02-66029600	02-29265616	09:00-15:30
Xinzhuang Branch	No. 429, Zhongping Rd., Xinzhuang Dist., New Taipei City	02-66059700	02-85228160	09:00-15:30
Nankan Branch	No.90, Zhongzheng Rd., Luzhu Dist., Taoyuan City	03-3524148	03-3226443	09:00-15:30
Bade Branch	No.43, Sec. 2, Jieshou Rd., Bade Dist., Taoyuan City	03-3634341	03-3660967	09:00-15:30
Gongxi Branch	No.237, Fuxing 1st Rd., Guishan Dist., Taoyuan City	03-3972288	03-3972266	09:00-15:30
Zhuangjing Branch	No.266, Sec. 1, Daxing W. Rd., Taoyuan Dist., Taoyuan City	03-2607100	03-3582335	09:00-15:30
Sanmin Branch	No.301, Sec. 3, Sanmin Rd., Taoyuan Dist., Taoyuan City	03-3351593	03-3328102	09:00-15:30
Xinwu Branch	No.251, Zhongshan Rd., Xinwu Dist., Taoyuan City	03-4773226	03-4772052	09:00-15:30
Puxin Branch	No.383, Yongmei Rd., Yangmei Dist., Taoyuan City	03-2641600	03-4826073	09:00-15:30
Longtan Branch	No.390, Donglong Rd., Longtan Dist., Taoyuan City	03-2635800	03-4708175	09:00-15:30
Zhongli Branch	No. 269, Yanping Rd., Zhongli Dist., Taoyuan City	03-2647088	03-4256977	09:00-15:30
Xinming Branch	No.56, Minzu Rd., Zhongli Dist., Taoyuan City	03-4918701	03-4918710	09:00-15:30
East Neili Branch	No.47, Rongmin Rd., Zhongli Dist., Taoyuan City	03-4351988	03-4351093	09:00-15:30

Branch Name	Address	Telephone No.	Fax No.	Business Hours
Zhudong Branch	No.300, Sec. 1, Changchun Rd., Zhudong Township, Hsinchu County	03-5965711	03-5954025	09:00-15:30
Xinfeng Branch	No. 200, Zhongxing Rd., Xinfeng Township, Hsinchu County	03-6128400	03-5594636	09:00-15:30
Hukou Branch	No.82,Sec.1, Zhongzheng Rd., Hukou Township, Hsinchu County	03-5992614	03-5901627	09:00-15:30
Zhubei Branch	No.8, Ziqiang S. Rd., Zhubei City, Hsinchu County	03-6125100	03-6576187	09:00-15:30
Xinxing Branch	No.130, Siwei Rd., North Dist., Hsinchu City	03-5233171	03-5233177	09:00-15:30
Guangfu Branch	No.270, Sec. 1, Guangfu Rd., East Dist., Hsinchu City	03-5775663	03-5781742	09:00-15:30
Zhongzheng Branch	No.326, Zhongzheng Rd., North Dist., Hsinchu City	03-5348939	03-5349865	09:00-15:30
North Hsinchu Branch	No.6, Beida Rd., East Dist., Hsinchu City	03-5348155	03-5421589	09:00-15:30
Gongguan Branch	No.211, Zhongxiao Rd., Gongguan Township, Miaoli County	03-7228525	03-7221245	09:00-15:30
Miaoli Branch	No.562, Zhongzheng Rd., Miaoli City, Miaoli County	03-7324671	03-7358940	09:00-15:30
Yuanli Branch	No.19, Weigong Rd., Yuanli Township, Miaoli County	03-7862851	03-7852609	09:00-15:30
Houlong Branch	No.20, Chenggong Rd., Houlong Township, Miaoli County	03-7724591	03-7724980	09:00-15:30
Zhunan Branch	No.217, Zhongzheng Rd., Zhunan Township, Miaoli County	03-7476161	03-7474881	09:00-15:30
Fengyuan Branch	No.511, Zhongzheng Rd., Fengyuan Dist., Taichung City	04-36012400	04-25158629	09:00-15:30
Nantun Branch	No. 302, Sec. 2, Liming Rd., Nantun Dist., Taichung City	04-22536208	04-22536205	09:00-15:30
Shizheng Branch	No. 535, Shizheng Rd., Xitun Dist., Taichung City	04-36012800	04-23192473	09:00-15:30
Beitun Branch	No.236, Sec. 4, Wenxin Rd., North Dist., Taichung City	04-22990755	04-22990803	09:00-15:30
Taichung Branch	No.633, Sec. 2, Taiwan Blvd., Xitun Dist., Taichung City	04-36013800	04-23101118	09:00-15:30
Changhua Branch	No.162, Xiaoyang Rd., Changhua City, Changhua County	04-7042100	04-7283195	09:00-15:30
Tainan Branch	No.429, Sec. 2, Jinhua Rd., South Dist., Tainan City	06-2648101	06-2648140	09:00-15:30
Dongning Branch	No.88, Dongxing Rd., East Dist., Tainan City	06-2761561	06-2761565	09:00-15:30
Sanduo Branch	No.262, Zhongshan 2nd Rd., Qianzhen Dist., Kaohsiung City	07-9666499	07-5368033	09:00-15:30
North Kaohsiung Branch	No.189, Wenxin Rd., Gushan Dist., Kaohsiung City	07-5501705	07-5502010	09:00-15:30
Kaohsiung Branch	22F, No.175, Zhongzheng 2nd Rd., Lingya Dist., Kaohsiung City	07-9685100	07-2221205	09:00-15:30

Standard Chartered Bank (Taiwan) Limited



Chair
John Ming Kiu Tan





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