遠東國際商業銀行
Far Eastern Int'l Bank

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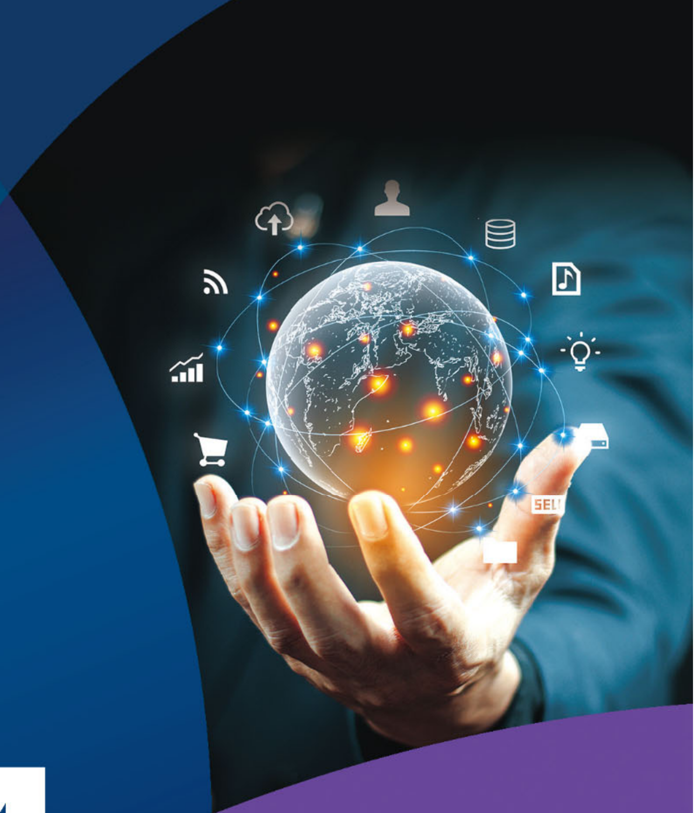

2024

Handbook

for Annual Shareholders' Meeting

Bankee
我們的社群銀行

HAPPY+
遠銀財富管理

Contents

Far Eastern International Bank (FEIB)

2024 Annual Shareholders' Meeting

Date: Wednesday, June 19, 2024

Time: 9:00 a.m., Taipei time

Place: Auditorium of Taipei Hero House, No. 20, Changsha Street, Section 1, Taipei, Taiwan

Convening method: The annual shareholders' meeting will be held hybrid at physical location and through video conference.

The video conferencing platform is provided by Taiwan Depository & Clearing Corporation. (https://stockservices.tdcc.com.tw)

Meeting Agenda

Meeting begins (Confirming shareholding % of attendance)

Chairperson's remarks

Report Items (Non-Voting Items)

1. 2023 Business Report
2. 2023 Financial Statements
3. Audit Committee's Review Report for 2023 Business Report and Financial Statements
4. 2023 Employees' Compensation and Directors' Remuneration

Approval Items (Voting Items)

1. 2023 Business Report and Financial Statements
2. 2023 Earnings Distribution

Proposed Resolutions and Election Items (Voting Items)

1. Amendment to Articles of Incorporation of Far Eastern International Bank
2. Proposal of Issuing New Shares - to Capitalize Shareholder Dividends
3. Proposal of Private Placement - to Issue Common Shares, Preferred Shares, Convertible Bonds or a Combination of Above Securities to Specific Parties
4. Election of the 12th Term of Board of Directors
5. Waiver of Non-Compete Binding to Directors

Questions and Motions (Voting Items)

Meeting Is Adjourned

The English version is the translation of the Chinese version and the Chinese version shall prevail, if any discrepancy.

Report Items (Non-Voting Items)

1. **2023 Business Report**

   The 2023 business report is detailed in Attachment I.

2. **2023 Financial Statements**

   The 2023 financial statements and the independent auditors' report by Deloitte & Touche are detailed in Attachment II. (The 2023 financial statements are also available at http://mops.twse.com.tw)

3. **Audit Committee's Review Report for 2023 Business Report and Financial Statements**

   The Audit Committee's review report is detailed in Attachment III.

4. **2023 Employees' Compensation and Directors' Remuneration**

   i. According to the Bank's "Articles of Incorporation", the Bank's employees' compensation and directors' remuneration are allocated as 3.5%-4.5% of income before tax, employees' compensation and directors' remuneration (IBTCR) and as no greater than 1.5% of IBTCR, respectively.

   ii. The income before tax, employees' compensation and directors' remuneration (IBTCR) in 2023 is NT$ 4,954,200,379. Based on board resolution on March 4, 2024, the Bank's 2023 employees' compensation and directors' remuneration are NT$193,214,000 (or 3.90% of IBTCR) and NT$74,313,000 (or 1.50% of IBTCR), respectively, and are all paid in cash.

Approval Items (Voting Items)

1. 2023 Business Report and Financial Statements

The Board of Directors recommends shareholders vote FOR 2023 business report and financial statements.

Explanatory Notes:

i. The Audit Committee has reviewed the business report and the audited financial statements (certified by Chun-Hung Chen, CPA, and Chen-Hsiu Yang, CPA, of Deloitte & Touche) of the Bank for the year ended Dec. 31, 2023 and found the reports acceptable.

ii. The 2023 business report, the independent auditors' report & 2023 financial statements, and Audit Committee's review report are detailed in Attachment I, II, and III.

iii. Please vote FOR.

Resolutions:

2. 2023 Earnings Distribution

The Board of Directors recommends shareholders vote FOR 2023 earnings distribution.

Explanatory Notes:

i. The Bank's 2023 earnings distribution is as follows: (Unit: NT$)

Net income	4,174,209,014
Adjustment to retained earnings for revaluation of defined benefit plans	(42,546,350)
Adjustment to retained earnings, for disposal income/loss of equity instruments at fair value through other comprehensive income	(112,481,976)
Provision for legal reserve	(1,205,754,206)
Reversal of special reserve	1,547,310,219
Unappropriated earnings - beginning	116,722
Distributable earnings	4,360,853,423
Earnings distribution:	
Shareholder dividends	4,118,317,660
Unappropriated earnings - ending	242,535,763

ii. Shareholder dividends are allocated as follows: (Unit: NT$)

	Per share	Total amount
Cash dividends	0.506	2,059,158,830
Stock dividends	0.506	2,059,158,830
Total	1.012	4,118,317,660

iii. Dividend per share as referred above is calculated based on the number of shares outstanding on December 31, 2023. The Board of Directors is authorized to adjust cash and stock dividends payout ratio within the total dividends amount, if the actual number of shares outstanding on the ex-dividend (ex-right) date differs from the estimated number of shares. Dividends will be distributed on the ex-dividend (ex-right) date which is to be determined by Board of Directors after 2024 annual shareholders' meeting. The cash dividends to each and every shareholder shall be paid in a whole amount of New Taiwan Dollars and any fraction of one New Taiwan Dollar shall be discarded. The total unpaid odd amount will be included in "other revenues" of the Bank.

iv. Please vote FOR.

Resolutions:

Proposed Resolutions and Election Items (Voting Items)

1. **Amendment to the Articles of Incorporation of Far Eastern International Bank**

   The Board of Directors recommends shareholders vote FOR the amendment to the Bank's Articles of Incorporation.

   Explanatory Notes:

   i. According to the amendment to Article 4 of the "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers", a listed company shall appoint at least one director of different gender than others, and the number of independent directors shall be at a minimum of three and no less than one-third of total seats in the board. The above amendment shall apply to the Bank after expiration of current term of existing directors in 2024, therefore the Articles of Incorporation of Far Eastern International Bank is amended accordingly.

   ii. A comparison table of articles before and after above amendment is detailed in Attachment IV.

   iii. Please vote FOR

   Resolutions:

2. Proposal of Issuing New Shares - to Capitalize Shareholder Dividends

The Board of Directors recommends shareholders vote FOR capitalization of 2023 stock dividends.

Explanatory Notes:

i. Capitalization purpose and funding sources: In order to support business needs, enhance operational capital and improve capital structure, capitalization of NT$2,059,158,830 shareholder dividends from 2023 earnings distribution is proposed by issuing 205,915,883 new shares at par of NT$10 per share.

ii. Allotment method: The 205,915,883 new shares are distributed in accordance with the shareholding record in the shareholder registrar on the dividend ex-right date, for 50.6 shares per 1,000 shares. The rights and obligations of new shares are the same as those of existing shares. Fractional shares may be pooled by two shareholders or more into one full share of a named shareholder. For the fractional share which cannot be pooled, the distribution will be made in the form of cash in dollar amount calculated at par value; such shares will be purchased by the Bank's employee shareholding trust at par value. For shareholders whose share allotment is made through central depository system, the cash amount of the fractional share will be offset by the remittance fee.

iii. The distributable number of dividend shares as referred to above is estimated based on the number of shares outstanding on Dec. 31, 2023. The Board of Directors is authorized to adjust stock dividend payout ratio within the total dividend amount if the actual number of shares outstanding on the ex-right date differs from the estimated number of shares.

iv. The ex-right date of stock dividends (same as the effective date of issuing new shares) will be determined by the Board of Directors after 2024 annual shareholders' meeting.

v. Please vote FOR.

Resolutions:

3. Proposal of Private Placement - to Issue Common Shares, Preferred Shares, Convertible Bonds or a Combination of Above Securities to Specific Parties

The Board of Directors recommends shareholders vote FOR issuing of common shares, preferred shares, convertible bonds or a combination of above securities to specific parties for a total amount of not exceeding NT$10 billion or equivalent in foreign currencies.

Explanatory Notes:

i. The Bank's Board of Directors was authorized in annual shareholders' meeting on June 16,2023 to proceed private placement for a total amount of not exceeding NT$10 billion or equivalent in foreign currencies. This proposal herein is to request extension of last shareholders' meeting resolution for another year.

ii. The purpose of private placement is to seek alliance opportunities with domestic or foreign strategic investors, to strengthen the Bank's financial structure and capital adequacy ratio, and to facilitate the Bank's long-term development. The preferred shares, if any, are to be issued according to Article 4-1 of the Bank's Articles of Incorporation.

iii. According to Article 43-6 of the Securities and Exchange Act, the disclosure of private placement shall include:

(i) The basis and justification of the pricing:

1. The issuing price of common shares shall be no less than 80% of the reference price, which is the higher of the following two prices:
   (1) The simple averaged closing price of 1, 3 or 5 business days prior to the pricing date, minus dividends, and added back price discounted for capital reduction.
   (2) The simple averaged closing price of 30 business days prior to the pricing date, minus dividends, and added back price discounted for capital reduction.
2. The issuing price of preferred shares and convertible bonds shall be no less than 80% of the theoretical price, which is the price determined by an applicable pricing model considering all the terms in the issuing.
3. The pricing date and actual issuing price, as reference above, will be determined subject to market conditions and terms, and discussion with specific parties. If the issuing price is below the par value of common shares and results in cumulative losses to the Bank, the Bank may, subject to operation status then, decapitalize capital base, reverse retained earnings or capital surplus to make up the losses.
4. The pricing of private placement, pursuant to government regulation, based on the reference price or theoretical price as above, and by taking into account of 3-year lock-up period promulgated by the Securities and Exchange Act, is deemed reasonable.

(ii) The selection, purpose, necessity and benefits of allying with the specific parties:

1. Selection of the specific parties and purpose: The strategic investors are selected based on qualification criteria specified in Article 43-6 of the Securities and Exchange Act, for those who are able to assist the Bank expanding sales channels, growing customer base, improving service quality, and reducing operation costs.
2. Necessity: In responding to the global trend of financial supervision enhancement and risk-taking capacity strengthening, the Bank needs to increase Basel III capital adequacy by investment from the specific parties, for supporting of the Bank's long-term development.
3. Benefits: The Bank's competitiveness and profitability will be enhanced via management participation of the strategic investors.

(iii) The justification of private placement:

1. The justification of no public offering: In considering the transaction timing, cost, and needs from allying with the strategic investors, public offering is less feasible. Plus, the long-term business cooperation relationship with the partners would be secured by the 3-year lock-up period of investment per private placement regulation.
2. The amount of private placement: Within the limit of NT$10 billion or equivalent in foreign currencies, the amount of private placement could be raised by one or two tranches, within the period of 1 year from the shareholders' meeting resolution date, subject to market conditions and transaction progress with the specific parties.
3. Capital usage plan and anticipated benefits: The capital amount raised by each closing of private placement will be used for expanding the Bank's business scale and digital innovation. The anticipated benefits will include strengthening the Bank's competitiveness, profitability, capital adequacy, and shareholders' equity. If convertible bonds are issued in foreign currency, the bond proceed will remain in the original currency until FX conversion is approved.

iv. Per authorization of shareholders' meeting, the major terms of private placement, including total number, pricing and terms of new shares, selection of specific parties, the effective date of new capital, fund usage plan, expected benefit and other related matters, will be determined by the Board of Directors after approval of Audit Committee. The Board of Directors is also authorized to make any necessary adjustment on the issuing terms, due to changes of laws, competent authorities' instruction, or changes of market conditions, after approval of Audit Committee.

v. Please vote FOR.

Resolutions:

4. Election of the 12th Term of Board of Directors

The Board of Directors recommends shareholders vote FOR the nominated candidates of the 12th term of board of directors (including independent directors).

Explanatory Notes:

i. The incumbent 11th term of Board of Directors was elected in 2021 shareholders' meeting for tenor of 3 years from 7/20/2021 to 7/19/2024. The 12th term of the Board of Directors hence is to be elected in 2024 annual shareholders' meeting.

ii. According to Article 4 of the "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers" and Article 15 & 16 of the Bank's Articles of Incorporation, 11 directors (including 4 independent directors) will be elected for the 12th term of the Board, for a 3-year tenor commenced from the date of election.

iii. The directors will be elected from those candidates who are nominated by the Board of Directors or by any shareholder with shareholding of 1% or above, during the nomination period from 4/13/2024 to 4/22/2024. During the aforementioned nomination period, Far Eastern New Century Corp. nominated 7 director candidates and 4 independent director candidates, which were approved by the board resolution on 5/8/2024. The list of candidates is as Attachment V.

iv. Please vote FOR.

Resolutions:

5. Waiver of Non-Compete Binding to Directors

The Board of Directors recommends shareholders vote FOR waiver of non-compete binding to directors.

Explanatory Notes:

i. According to Article 209, Paragraph 1, of Company Act, a director who acts anything for himself / herself or on behalf of another person that is within the scope of the company's business, shall explain in the shareholders' meeting the essential contents of such an action and secure approval.

ii. Waiver of non-compete binding to 3 directors, as detailed in the table below, is recommended, based on individual professionalism of the directors and no conflict of interest of the related company's business to the Bank.

Position in the Bank	Name	Related company	Position in the company	Major business of the company
Director	Mr. Douglas Tong Hsu	Da Chung Bills Finance Corp.	Director	Bills Finance
Director	Representative of Far Eastern New Century Corporation: Mr. Shaw Y. Wang	Far Eastern Asset Management Corp.	Director	AMC
Director	Representative of Far Eastern New Century Corporation: Mr. Humphrey Cheng	Deutsche Far Eastern Asset Management Company Ltd.	Chairman	SITE / SICE

Note: The directors mentioned above also serve as directors / chairman of the related companies qualified as the Bank's subsidiaries by Article 74 of the Banking Act.

iii. Please vote FOR.

Resolutions:

Questions and Motions (Voting Items)

Attachment I.

2023 Business Report

Looking back in 2023, geopolitical risks disrupted supply chain production, and high interest rates coupled with inflation decelerated global economic development, leading to a declined Taiwan export growth, staggering investment momentum, and downward Taiwan GDP growth rate to 1.31%. Looking forward to 2024, inflation is expected to stabilize, and global economy is expected to recover, which will aid in boosting Taiwan export growth and sustaining domestic consumption momentum. The Taiwan GDP growth rate in 2024 is projected to reach 3.43%, contributing to steady and robust profitability for the banking industry.

FEIB adheres to a long-term steady growth plan. In 2023, total assets and net worth grew by 7%, reaching NT$792.5 billion and NT$58.9 billion respectively. Due to reduced volatility in the stock and bond markets, financial market investment income grew significantly. Following effective control over operating expense and net provision expense, net income grew by double-digit for 2 consecutive years, reaching a historical high of NT$4.17 billion. Additionally, FEIB reinforced financial structure improvement, with NPL% decreasing to 0.108%, CET1% reaching 11.98%, and BIS% reaching 15.03%, all marking the best performances of FEIB in years.

FEIB achieved outstanding performance in core businesses in 2023. In Digital Banking, Bankee's digital deposits grew by 78%, exceeding 2% of FEIB's total deposits. Bankee introduced credit card installment loan and personal loan in inaugurating BU's earnings power. In Retail Banking, the wealth management brand successfully received 6-consecutive-year recognition from The Asset International Magazine's "Best Wealth Management Bank Brand Image Award". In Consumer Lending, the proportion of revolving mortgage increased and loan portfolio was enhanced with high interest margin. In Corporate Banking, FEIB was awarded by the Financial Supervisory Commission as an "Excellent Bank for SME Loans". The portfolio of local loans was steadily increased while quality of local and foreign credits were enhanced in reducing bad debt cost. In Financial Market, FEIB seized market volatility, timely deployed investment and trading positions, and substantially increased derivatives and investment income.

FEIB practiced sustainable business principles and undertook various ESG corporate citizen initiatives, such as 1st green-energy branch, 1st green-building sustainability-linked loan, the Equator Principles signing, and climate-change-related financial information disclosure (TCFD) to support green environmental protection actions. Collaborating with the Eden Social Welfare Foundation, FEIB launched an ESG-linked charity effort to donate lunches to rural schoolchildren. FEIB received HR ASIA's "Asia's Best Employer Award" and "Best Corporate Employer Care Award" in consecutive years for implementing social welfare and creating a friendly workplace environment. FEIB also was consecutively ranked among the top 5% of listed companies in the Taiwan Stock Exchange's "Corporate Governance Evaluation" and the top 25% of excellent banks in the Financial Supervisory Commission's "Customer Fairness Evaluation". FEIB revised "Corporate Governance Guidelines" following regulatory standards, to enhance corporate governance mechanisms.

In 2024, FEIB's business goal is to continuously expand its assets and business scale. Deposit and loan businesses will grow with profitability balancing with risk management. Revenue diversification will continue and earnings power will optimize cost-income structure. ESG investment and lending will be promoted to advance sustainability finance endeavor. Digital banking business priorities will include deepening Bankee's branding recognition, accelerating AI finance implementation, and advancing FEIB's digital transformation. Looking ahead, FEIB will continue its long-term steady business growth, along with social responsibility fulfilment, to create sustainable value for shareholders, customers, and employees.

Operating Results for 2023 and Business Outlook for 2024 Are Summarized as Follows:

Operating Results for 2023

1. Business Plan and Operating Results (by consolidated financials)

(NT$MM)

Item	Y2023	Y2022	YoY %	Budget Achieving %
Total Assets	792,504	740,540	+7%	101%
Total Loans	473,824	444,082	+7%	99%
Deposits and Remittance	660,748	607,424	+9%	103%
Equity	58,875	54,972	+7%	-
Net Revenue	12,794	11,739	+9%	-
PPOP	5,247	4,735	+11%	-
Net Income	4,174	3,678	+14%	-
EPS (NT$)	1.03	1.00	+3%	-

2. Ratings

Fitch Ratings issued FEIB rating report on Apr. 18, 2023, affirming FEIB’s credit rating remained at BBB / F3 for foreign currency LT / ST IDR, and A+(twn) / F1(twn) for national long-term / short-term rating, and FEIB’s rating outlook remained as stable. The rating result reflected the Bank's moderate risk appetite and adequate loss buffer, and FEIB is considered a stable financial institution of investment grade.

3. Research and Development

To enhance operational efficiency and customer service quality, FEIB continued developing new products and improving service processes, including utilizing big data and market intelligence in analyzing customer behavior and transaction flows. Additionally, FEIB enhanced online risk management, such as implementing digital transaction monitoring, adding HappyGo Pay’s security checking, and setting pre-defined transaction limit for FX conversion. FEIB launched new functions, including discretionary remittance account termination, property price inquiry, and larger-amount FX conversion, on the online transaction portal. FEIB also used RPA technology in improving operational efficiency, such as customer due diligence (CDD) and transaction monitoring systems (TMS) for AML compliance, customer service enhancement, and trust service streamlining.

4. Organization Changes

The Financial Markets Group reorganized its "Financial Markets Department" and split it into 3 departments – "Trading Department," "Sales Department," and "Administration Department", in Nov. 2023, to enhance management by professional specialty and operational efficiency.

5. Impact of External Competitions, Legal and Overall Operating Environment

The domestic banking industry is severely overbanked, with intense market share and price competition. The entry of 3 internet-only banks further intensifies competition in digital banking space. FEIB strengthens focus on high-profitability businesses, and accelerates digital banking development to cope with competitive threats. Amid amendments in corporate governance, anti-money laundering (AML), and counter-terrorism financing regulations, FEIB revises relevant internal audit and control standards to strengthen regulatory compliance. In response to the Financial Supervisory Commission's "Sustainable Development Action Plan for Listed and OTC Companies" and regulations related to climate risk, FEIB follows the Equator Principles, establishes ESG credit review processes, conducts climate change stress tests and discloses related information to promote sustainable finance and support industry’s sustainable development.

Operating Plans for 2024

1. Operating Goals

Major operating goals for 2024 (by consolidated financials) are summarized as follows:

(1) Total assets: NT$824.4 billion.

(2) Total loans: NT$502.7 billion.

(3) Total deposits: NT$688.2 billion.

2. Policies and Major Strategies

(1) Retail Banking:

For WM, the BU enhances product competitiveness, and introduces the online equity trading platform. The BU develops mass customer groups to expand customers’ assets under management with FEIB. To improve loan-to-deposit spread, the BU controls deposit costs, focuses more on revolving mortgage, and increases high margin personal loans. To increase credit card transaction income, the BU continues promoting the "Far East Happy Family+ Card", and providing more card benefits in FEG internal and external channels. Through "FEIB 10 Happiness" WM brand, online-and-offline promotion activities and physical-and-virtual multiple channels, the BU aims to create a full-fledge wealth management services to customers.

(2) Corporate Banking:

The BU expands lending assets by actively participating in local and offshore lending markets, and seizing financing opportunities in new tech industries, green transformation, and global supply chains. The BU increases offshore lending by focusing on Greater China, and Asia-Pacific markets, and progresses in adding an offshore business outlet in Singapore. By expanding SME loans and supply chain financing, the BU increases niche earnings. By promoting corporate banking's online transaction portal and B2B2C e-commerce platform, the BU strengthens FEIB's market share in corporate cash management business, and increases deposit from corporates.

(3) Financial Markets:

The BU, targeting professional institutional investors and high-net-worth corporate investors, develops diversified structured products to meet customers' high-yield investment or hedging needs. The BU utilizes AI technology to increase program trading volume in financial markets. The BU also utilizes online trading channels such as social media and the internet to promote FEIB's leading market share in "FX margin trading" business. Through strengthening asset-liability management (ALM), the BU improves FEIB's liquidity strength and NII structure. Through monitoring the credit quality and transaction flow, the BU aims to balance profits with risk for derivatives trades. The BU increases ESG stock and bond investment to support sustainable finance.

(4) Digital Banking:

The BU continues new customer development and digital transaction expanding, such as launching multiple digital platforms to connect various industry customers, and positioning transaction banking service to corporate and individual customers. The BU, based on financial innovation and business profitability as core, aims to become the key transaction bank for various fintech customers, hence to increase deposit base and fee income. By strengthening branding promotion, developing new business models, and optimizing service processes, the BU increases digital customers under Bankee. By exploring AI technology implication, the BU deepens customer behavior analysis, and launches target marketing, to provide multiple banking service to customers.

Chairman：Ching-Ing Hou　　President：Thomas Chou　　Chief Accountant：Cindy Chen

Attachment II.

Independent Auditors' Report & 2023 Financial Statements

(English Translation of a Report Originally Issued in Chinese)

Deloitte.

勤業眾信
勤業眾信聯合會計師事務所
110016 台北市信義區松仁路100號20樓

Deloitte & Touche
20F, Taipei Nan Shan Plaza
No. 100, Songren Rd.,
Xinyi Dist., Taipei 110016, Taiwan

Tel :+886 (2) 2725-9988
Fax:+886 (2) 4051-6888
www.deloitte.com.tw

INDEPENDENT AUDITORS' REPORT

The Board of Directors and the Shareholders
Far Eastern International Bank Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Far Eastern International Bank Ltd. (the "Bank") and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Bank and its subsidiaries as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China (FSC).

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants 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 Consolidated Financial Statements section of our report. We are independent of the Bank and its subsidiaries in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters related to the Bank and its subsidiaries' consolidated financial statements for the year ended December 31, 2023 for the Bank and its subsidiaries, which are described as follows:

Allowance for Expected Credit Losses on Loans

As of December 31, 2023, the balance of loans in the aggregate amounted to NT$467,728,161 thousand, which accounted for 59% of the total assets of the consolidated financial statements; an amount that is deemed to be significant to the consolidated financial statements. Besides assessing expected credit losses on loans in accordance with IFRS 9 "Financial Instruments", the Bank complies with the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans and related regulations when assessing classification of credit assets and recognizing allowance for possible losses, and the higher amount of allowance for expected credit losses on loans is recognized. As the assessment on the impairment of loans involved the management's critical judgments in accounting estimation and the underlying assumptions, we deemed the allowance for expected credit losses on loans as a key audit matter. Refer to Note 5 to the consolidated financial statements for the critical accounting judgments and estimation uncertainty.

Refer to Notes 4, 5, 14 and 44 to the consolidated financial statements for disclosures related to impairment on loans.

The main audit procedures we performed in response to certain aspects of the key audit matter described above are as follows:

1. Understand and perform tests on the Bank's internal controls relevant to loans impairment assessment.

2. Verify whether the methodology, main assumptions and parameters (consider the probability of default, probability of loss given default and exposure at default on forward-looking information) adopted by the impairment model of expected credit losses adequately reflect the actual position and compliance with IFRS 9, and recalculate the amount of impairment.

3. Sample and review credit files to evaluate whether the loans are reasonably categorized per regulatory stipulation and recalculate for the correctness of the allowance.

Other Matter

We have also audited the parent company only financial statements of the Bank as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the FSC, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Bank and its subsidiaries' financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank and its subsidiaries' internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank and its subsidiaries to cease to continue as a going concern.

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Bank and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Bank and its subsidiaries audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chun-Hung Chen and Chen-Hsiu Yang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 4, 2024

Notice to Readers

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

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

FAR EASTERN INTERNATIONAL BANK LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023		2022	
ASSETS	**Amount**	**%**	**Amount**	**%**
ASSETS				
Cash and cash equivalents	$ 6,855,577	1	$ 8,237,870	1
Due from the Central Bank and other banks	41,011,820	5	35,591,182	5
Financial assets at fair value through profit or loss	40,846,407	5	46,652,529	6
Financial assets at fair value through other comprehensive income	64,259,784	8	76,739,907	10
Investment in debt instruments at amortized cost, net	132,436,004	17	100,836,081	14
Securities purchased under resale agreements, net	2,240,685	-	1,146,775	-
Receivables, net	19,208,528	3	18,999,211	3
Discounts and loans, net	467,728,161	59	437,897,093	59
Investment accounted for using the equity method	2,735,151	-	1,886,047	-
Other financial assets, net	6,817,244	1	4,790,483	1
Property and equipment, net	5,139,531	1	4,760,573	1
Right-of-use assets, net	1,089,010	-	954,076	-
Intangible assets, net	1,572,187	-	1,597,670	-
Deferred tax assets	174,527	-	179,701	-
Other assets	389,876	-	270,445	-
TOTAL	$792,504,492	100	$740,539,643	100

	2023		2022	
LIABILITIES AND EQUITY	**Amount**	**%**	**Amount**	**%**
LIABILITIES				
Due to the Central Bank and other banks	$ 1,489,494	-	$ 1,475,448	-
Funds borrowed from the Central Bank and other banks	133,333	-	-	-
Financial liabilities at fair value through profit or loss	8,397,692	1	8,689,238	1
Securities sold under repurchase agreements	1,255,766	-	4,598,749	1
Payables	5,830,924	1	5,346,372	1
Current tax liabilities	158,386	-	311,114	-
Deposits and remittances	660,747,761	84	607,423,881	82
Bank debentures	16,901,900	2	20,901,900	3
Principal received on structured products	34,139,735	5	31,812,340	4
Other financial liabilities	2,128,161	-	2,731,071	1
Provisions	762,463	-	760,392	-
Lease liabilities	1,108,714	-	965,817	-
Other liabilities	575,351	-	550,988	-
Total liabilities	733,629,680	93	685,567,310	93
EQUITY ATTRIBUTABLE TO OWNERS OF THE BANK				
Share capital	40,694,838	5	40,694,838	5
Capital surplus	302,926	-	302,926	-
Retained earnings				
Legal reserve	12,304,518	2	11,206,638	1
Special reserve	1,711,795	-	5,922	-
Unappropriated earnings	4,019,297	-	4,467,881	1
Total retained earnings	18,035,610	2	15,680,441	2
Other equity	(158,562)	-	(1,705,872)	-
Total equity	58,874,812	7	54,972,333	7
TOTAL	$792,504,492	100	$740,539,643	100

FAR EASTERN INTERNATIONAL BANK LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	2023		2022		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
INTEREST REVENUES	$ 18,029,451	141	$ 12,304,922	105	47
INTEREST EXPENSES	11,524,413	90	5,261,369	45	119
NET INTERESTS	6,505,038	51	7,043,553	60	(8)
NET REVENUES AND GAINS OTHER THAN INTEREST					
Net service fee income	2,639,247	21	2,521,960	22	5
Gain on financial assets and liabilities at fair value through profit or loss	2,680,211	21	1,244,942	11	115
Realized gain on financial assets at fair value through other comprehensive income	181,405	1	152,173	1	19
Net foreign exchange gain	214,034	2	405,834	3	(47)
Shares of profit of associates for using equity method	98,052	1	112,357	1	(13)
Gain from bargain purchase	193,188	1	-	-	-
Others	282,500	2	258,112	2	9
Total net revenues and gains other than interest	6,288,637	49	4,695,378	40	34
NET REVENUES	12,793,675	100	11,738,931	100	9
PROVISION FOR POSSIBLE LOSSES ON BAD DEBTS EXPENSE, COMMITMENT AND GUARANTEE	540,238	4	544,102	4	(1)
OPERATING EXPENSES					
Employee benefits expense	4,491,386	35	4,239,619	36	6
Depreciation and amortization	740,131	6	732,480	6	1
Other general and administrative expenses	2,314,848	18	2,031,614	18	14
Total operating expenses	7,546,365	59	7,003,713	60	8
INCOME BEFORE INCOME TAX	4,707,072	37	4,191,116	36	12
INCOME TAX EXPENSE	532,863	4	513,614	5	4
NET INCOME FOR THE YEAR	4,174,209	33	3,677,502	31	14

(Continued)

FAR EASTERN INTERNATIONAL BANK LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	2023		2022		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plans	$ (50,332)	-	$ 108,511	1	(146)
Gain (loss) on valuation of investments in equity instruments at fair value through other comprehensive income	776,837	6	(374,443)	(3)	307
Share of other comprehensive income of associates for using equity method	664	-	6,218	-	(89)
Income tax benefit (expense) relating to items that will not be reclassified subsequently to profit or loss	10,067	-	(21,702)	-	146
	737,236	6	(281,416)	(2)	362
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translating foreign operations	(24,358)	-	96,628	1	(125)
Share of other comprehensive income (loss) of associates for using equity method	169,434	1	(98,986)	(1)	271
Gain (loss) on investments in debt instruments measured at fair value through other comprehensive income	506,108	4	(1,455,943)	(13)	135
Income tax benefit (expense) relating to items that may be reclassified subsequently to profit or loss	3,862	-	(2,899)	-	233
	655,046	5	(1,461,200)	(13)	145
Other comprehensive income (loss) for the year	1,392,282	11	(1,742,616)	(15)	180
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 5,566,491	44	$ 1,934,886	16	188
NET INCOME ATTRIBUTABLE TO:					
Owners of the Bank	$ 4,174,209	33	$ 3,677,502	31	14
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of the Bank	$ 5,566,491	44	$ 1,934,886	16	188
EARNINGS PER SHARE					
Basic	$1.03		$1.00		
Diluted	$1.02		$0.99		

(Concluded)

FAR EASTERN INTERNATIONAL BANK LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Shareholders of the Parent							
			Retained Earnings			Others		
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Equity
BALANCE AT JANUARY 1, 2022	$35,139,632	$ 456,426	$10,294,866	$ 5,922	$ 3,786,263	$ (240,644)	$ 259,486	$49,701,951
Appropriation of the 2021 earnings								
Legal reserve	-	-	911,772	-	(911,772)	-	-	-
Cash dividends - NT$ 0.4300 per share	-	-	-	-	(1,511,004)	-	-	(1,511,004)
Shares dividends - NT$ 0.1580 per share	555,206	-	-	-	(555,206)	-	-	-
	555,206	-	911,772	-	(2,977,982)	-	-	(1,511,004)
Net income for the year ended December 31, 2022	-	-	-	-	3,677,502	-	-	3,677,502
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	89,422	93,729	(1,925,767)	(1,742,616)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	3,766,924	93,729	(1,925,767)	1,934,886
Issuance of ordinary shares for cash	5,000,000	(195,000)	-	-	-	-	-	4,805,000
Share-based payments	-	41,500	-	-	-	-	-	41,500
Disposal of investments in equity instruments at fair value through other comprehensive income (loss)	-	-	-	-	(107,324)	-	107,324	-
BALANCE AT DECEMBER 31, 2022	40,694,838	302,926	11,206,638	5,922	4,467,881	(146,915)	(1,558,957)	54,972,333
Appropriation of the 2022 earnings								
Legal reserve	-	-	1,097,880	-	(1,097,880)	-	-	-
Special reserves	-	-	-	1,705,873	(1,705,873)	-	-	-
Cash dividends - NT$0.4089 per share	-	-	-	-	(1,664,012)	-	-	(1,664,012)
	-	-	1,097,880	1,705,873	(4,467,765)	-	-	(1,664,012)
Net income for the year ended December 31, 2023	-	-	-	-	4,174,209	-	-	4,174,209
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	(42,546)	(20,496)	1,455,324	1,392,282
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	4,131,663	(20,496)	1,455,324	5,566,491
Disposal of investments in equity instruments at fair value through other comprehensive income (loss)	-	-	-	-	(112,482)	-	112,482	-
BALANCE AT DECEMBER 31, 2023	$40,694,838	$ 302,926	$12,304,518	$ 1,711,795	$ 4,019,297	$ (167,411)	$ 8,849	$58,874,812

FAR EASTERN INTERNATIONAL BANK LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 4,707,072	$ 4,191,116
Adjustments for:		
Depreciation	714,648	706,997
Amortization	25,483	25,483
Provision for loss on bad debts expense, commitment and guarantee	992,680	930,101
Net valuation loss on financial assets and liabilities at fair value through profit or loss	36,292	225,705
Interest expenses	11,524,413	5,261,369
Interest revenues	(18,029,451)	(12,304,922)
Dividend revenue	(217,315)	(215,560)
Share-based payments	-	41,500
Shares of profit from associates	(98,052)	(112,357)
Unrealized net gain on foreign currency exchange	(32,441)	(165,809)
Gain from bargain purchase	(193,188)	-
Other adjustments	5,451	3,561
Changes in operating assets and liabilities		
Increase in due from the Central Bank and other banks	(695,382)	(1,421,701)
Decrease (increase) in financial assets at fair value through profit or loss	5,788,949	(7,309,324)
Decrease in financial assets at fair value through other comprehensive income	13,786,916	36,706,490
Increase in investments in debt instruments at amortized cost	(31,693,920)	(29,228,081)
Decrease (increase) in receivables	(403,434)	8,143,763
Increase in discounts and loans	(30,668,124)	(25,225,464)
Decrease in due to the Central Bank and other banks	(5,387)	(533,978)
Increase (decrease) in financial liabilities at fair value through profit or loss	(297,609)	5,413,537
Decrease in payables	(188,351)	(622,777)
Increase (decrease) in deposits and remittances	53,680,700	(18,312,752)
Increase in principal received on structured products	2,350,695	8,474,977
Decrease in provisions for employee benefits	(70,743)	(83,183)
Increase (decrease) in other liabilities	2,662	(59,968)
Cash generated from (used in) operations	11,022,564	(25,471,277)
Interest received	17,678,726	11,813,030
Dividends received	216,846	215,425
Interest paid	(10,680,620)	(4,791,793)
Income tax paid	(660,939)	(367,406)
Net cash generated from (used in) operating activities	17,576,577	(18,602,021)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments accounted for using equity method	(426,147)	-
Acquisition of property and equipment	(681,376)	(2,074,870)
Proceeds from disposal of property and equipment	106	124

(Continued)

FAR EASTERN INTERNATIONAL BANK LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
Increase in other financial assets	$ (2,035,311)	$ (465,034)
Increase in other assets	(119,265)	(11,782)
Dividends received from associates	38,381	103,717
Net cash used in investing activities	(3,223,612)	(2,447,845)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in funds borrowed from the Central Bank and other banks	133,333	(77,240)
Repayments of bank debentures	(4,000,000)	(3,000,000)
Increase (decrease) in securities sold under repurchase agreements	(3,392,676)	4,690,600
Repayments of the principal portion of lease liabilities	(405,178)	(412,561)
Increase (decrease) in other financial liabilities	(609,504)	1,749,323
Cash dividends	(1,664,012)	(1,511,004)
Issuance of ordinary shares for cash	-	4,805,000
Net cash generated from (used in) financing activities	(9,938,037)	6,244,118
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	21,945	1,580,766
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,436,873	(13,224,982)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	28,933,031	42,158,013
CASH AND CASH EQUIVALENTS, END OF THE YEAR	$ 33,369,904	$ 28,933,031

Reconciliation of the amounts in the consolidated statements of cash flows with the equivalent items reported in the consolidated balance sheets is as follows:

	December 31	
	2023	2022
Cash and cash equivalents in consolidated balance sheets	$ 6,855,577	$ 8,237,870
Due from the Central Bank and other banks that meet the IAS 7 definition of "cash and cash equivalents"	24,273,642	19,548,386
Securities purchased under resale agreements that meet the IAS 7 definition of "cash and cash equivalents"	2,240,685	1,146,775
Cash and cash equivalents in consolidated statements of cash flows	$ 33,369,904	$ 28,933,031

(Concluded)

Deloitte.

勤業眾信

勤業眾信聯合會計師事務所
110016 台北市信義區松仁路100號20樓

Deloitte & Touche
20F, Taipei Nan Shan Plaza
No. 100, Songren Rd.,
Xinyi Dist., Taipei 110016, Taiwan

Tel :+886 (2) 2725-9988
Fax:+886 (2) 4051-6888
www.deloitte.com.tw

INDEPENDENT AUDITORS' REPORT

The Board of Directors and the Shareholders
Far Eastern International Bank Ltd.

Opinion

We have audited the accompanying financial statements of Far Eastern International Bank Ltd. (the "Bank"), which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants 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 Bank in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2023. 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.

Key audit matters related to the Bank's financial statements for the year ended December 31, 2023 for the Bank, which are described as follows:

Allowance for Expected Credit Losses on Loans

As of December 31, 2023, the balance of loans in the aggregate amounted to NT$467,728,161 thousand, which accounted for 59% of the total assets of the financial statements; an amount that is deemed to be significant to the financial statements. Besides assessing expected credit losses on loans in accordance with IFRS 9 "Financial Instruments", the Bank complies with the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans and related regulations when assessing classification of credit assets and recognizing allowance for possible losses, and the higher amount of allowance for expected credit losses on loans is recognized. As the assessment on the impairment of loans involved the management's critical judgments in accounting estimation and the underlying assumptions, we deemed the allowance for expected credit losses on loans as a key audit matter. Refer to Note 5 to the financial statements for the critical accounting judgments and estimation uncertainty.

Refer to Notes 4, 5, 14 and 43 to the financial statements for disclosures related to impairment on loans.

The main audit procedures we performed in response to certain aspects of the key audit matter described above are as follows:

1. Understand and perform tests on the Bank's internal controls relevant to loans impairment assessment.

2. Verify whether the methodology, main assumptions and parameters (consider the probability of default, probability of loss given default and exposure at default on forward-looking information) adopted by the impairment model of expected credit losses adequately reflect the actual position and compliance with IFRS 9, and recalculate the amount of impairment.

3. Sample and review credit files to evaluate whether the loans are reasonably categorized per regulatory stipulation and recalculate for the correctness of the allowance.

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 Regulations Governing the Preparation of Financial Reports by Public Banks 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 Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Bank's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chun-Hung Chen and Chen-Hsiu Yang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 4, 2024

Notice to Readers

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

FAR EASTERN INTERNATIONAL BANK LTD.

BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023		2022	
ASSETS	**Amount**	**%**	**Amount**	**%**
ASSETS				
Cash and cash equivalents	$ 6,424,245	1	$ 7,835,225	1
Due from the Central Bank and other banks	41,011,820	5	35,591,182	5
Financial assets at fair value through profit or loss	40,846,407	5	46,652,529	6
Financial assets at fair value through other comprehensive income	64,259,784	8	76,739,907	10
Investment in debt instruments at amortized cost, net	132,436,004	17	100,836,081	14
Securities purchased under resale agreements, net	2,240,685	-	1,146,775	-
Receivables, net	16,527,777	2	16,786,028	2
Discounts and loans, net	467,728,161	59	437,897,093	59
Investment accounted for using the equity method	4,842,988	1	4,014,536	1
Other financial assets, net	6,725,915	1	4,699,883	1
Property and equipment, net	5,124,804	1	4,739,853	1
Right-of-use assets, net	1,015,846	-	853,723	-
Intangible assets, net	1,572,187	-	1,597,670	-
Deferred tax assets	128,231	-	143,763	-
Other assets	338,816	-	260,791	-
TOTAL	$791,223,670	100	$739,795,039	100

LIABILITIES AND EQUITY				
LIABILITIES				
Due to the Central Bank and other banks	$ 1,489,494	-	$ 1,475,448	-
Funds borrowed from the Central Bank and other banks	133,333	-	-	-
Financial liabilities at fair value through profit or loss	8,397,692	1	8,689,238	1
Securities sold under repurchase agreements	1,255,766	-	4,598,749	1
Payables	5,754,806	1	5,292,310	1
Current tax liabilities	147,779	-	304,656	-
Deposits and remittances	661,025,928	84	607,734,750	82
Bank debentures	16,901,900	2	20,901,900	3
Principal received on structured products	34,139,735	5	31,812,340	5
Other financial liabilities	786,490	-	1,875,578	-
Provisions	762,463	-	760,392	-
Lease liabilities	1,036,404	-	866,417	-
Other liabilities	517,068	-	510,928	-
Total liabilities	732,348,858	93	684,822,706	93
EQUITY				
Share capital	40,694,838	5	40,694,838	5
Capital surplus	302,926	-	302,926	-
Retained earnings				
Legal reserve	12,304,518	2	11,206,638	1
Special reserve	1,711,795	-	5,922	-
Unappropriated earnings	4,019,297	-	4,467,881	1
Total retained earnings	18,035,610	2	15,680,441	2
Other equity	(158,562)	-	(1,705,872)	-
Total equity	58,874,812	7	54,972,333	7
TOTAL	$791,223,670	100	$739,795,039	100

FAR EASTERN INTERNATIONAL BANK LTD.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	2023		2022		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
INTEREST REVENUES	$17,965,538	144	$12,242,206	107	47
INTEREST EXPENSES	11,503,474	92	5,254,023	46	119
NET INTERESTS	6,462,064	52	6,988,183	61	(8)
NET REVENUES AND GAINS OTHER THAN INTEREST					
Net service fee income	2,460,186	20	2,397,225	21	3
Gain on financial assets and liabilities at fair value through profit or loss	2,679,217	21	1,244,180	11	115
Realized gain on financial assets at fair value through other comprehensive income	181,405	1	152,173	1	19
Net foreign exchange gain	213,846	2	404,227	3	(47)
Shares of profit of subsidiaries and associates for using equity method	139,818	1	117,608	1	19
Gain from bargain purchase	193,188	2	-	-	-
Others	191,991	1	191,980	2	-
Total net revenues and gains other than interest	6,059,651	48	4,507,393	39	34
NET REVENUES	12,521,715	100	11,495,576	100	9
PROVISION FOR POSSIBLE LOSSES ON BAD DEBTS EXPENSE, COMMITMENT AND GUARANTEE	527,313	4	533,268	5	(1)
OPERATING EXPENSES					
Employee benefits expense	4,335,280	35	4,096,996	36	6
Depreciation and amortization	705,372	6	697,852	6	1
Other general and administrative expenses	2,267,077	18	1,987,708	17	14
Total operating expenses	7,307,729	59	6,782,556	59	8
INCOME BEFORE INCOME TAX	4,686,673	37	4,179,752	36	12
INCOME TAX EXPENSE	512,464	4	502,250	4	2
NET INCOME FOR THE YEAR	4,174,209	33	3,677,502	32	14

(Continued)

FAR EASTERN INTERNATIONAL BANK LTD.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	2023		2022		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plans	$ (50,332)	-	$ 108,511	1	(146)
Gain (loss) on valuation of investments in equity instruments at fair value through other comprehensive income	776,837	6	(374,443)	(3)	307
Share of other comprehensive income of subsidiaries and associates for using equity method	664	-	6,218	-	(89)
Income tax benefit (expense) relating to items that will not be reclassified subsequently to profit or loss	10,067	-	(21,702)	-	146
	737,236	6	(281,416)	(2)	362
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translating foreign operations	(5,047)	-	82,134	1	(106)
Share of other comprehensive income (loss) of subsidiaries and associates for using equity method	153,985	1	(87,391)	(1)	276
Gain (loss) on investments in debt instruments measured at fair value through other comprehensive income	506,108	4	(1,455,943)	(13)	135
	655,046	5	(1,461,200)	(13)	145
Other comprehensive income (loss) for the year	1,392,282	11	(1,742,616)	(15)	180
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 5,566,491	44	$ 1,934,886	17	188
EARNINGS PER SHARE					
Basic	$1.03		$1.00		
Diluted	$1.02		$0.99		

(Concluded)

FAR EASTERN INTERNATIONAL BANK LTD.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

			Retained Earnings			Other Equity		
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Equity
BALANCE AT JANUARY 1, 2022	$35,139,632	$ 456,426	$10,294,866	$ 5,922	$ 3,786,263	$ (240,644)	$ 259,486	$49,701,951
Appropriation of the 2021 earnings								
Legal reserve	-	-	911,772	-	(911,772)	-	-	-
Cash dividends - NT$0.4300 per share	-	-	-	-	(1,511,004)	-	-	(1,511,004)
Shares dividends - NT$0.1580 per share	555,206	-	-	-	(555,206)	-	-	-
	555,206	-	911,772	-	(2,977,982)	-	-	(1,511,004)
Net income for the year ended December 31, 2022	-	-	-	-	3,677,502	-	-	3,677,502
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	89,422	93,729	(1,925,767)	(1,742,616)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	3,766,924	93,729	(1,925,767)	1,934,886
Issuance of ordinary shares for cash	5,000,000	(195,000)	-	-	-	-	-	4,805,000
Share-based payments	-	41,500	-	-	-	-	-	41,500
Disposal of investments in equity instruments at fair value through other comprehensive income (loss)	-	-	-	-	(107,324)	-	107,324	-
BALANCE AT DECEMBER 31, 2022	40,694,838	302,926	11,206,638	5,922	4,467,881	(146,915)	(1,558,957)	54,972,333
Appropriation of the 2022 earnings								
Legal reserve	-	-	1,097,880	-	(1,097,880)	-	-	-
Special reserves	-	-	-	1,705,873	(1,705,873)	-	-	-
Cash dividends - NT$0.4089 per share	-	-	-	-	(1,664,012)	-	-	(1,664,012)
	-	-	1,097,880	1,705,873	(4,467,765)	-	-	(1,664,012)
Net income for the year ended December 31, 2023	-	-	-	-	4,174,209	-	-	4,174,209
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	(42,546)	(20,496)	1,455,324	1,392,282
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	4,131,663	(20,496)	1,455,324	5,566,491
Disposal of investments in equity instruments at fair value through other comprehensive income (loss)	-	-	-	-	(112,482)	-	112,482	-
BALANCE AT DECEMBER 31, 2023	$40,694,838	$ 302,926	$12,304,518	$ 1,711,795	$ 4,019,297	$ (167,411)	$ 8,849	$58,874,812

FAR EASTERN INTERNATIONAL BANK LTD.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 4,686,673	$ 4,179,752
Adjustments for:		
Depreciation	679,889	672,369
Amortization	25,483	25,483
Provision for loss on bad debts expense, commitment and guarantee	979,755	919,267
Net valuation loss on financial assets and liabilities at fair value through profit or loss	36,292	225,705
Interest expenses	11,503,474	5,254,023
Interest revenues	(17,965,538)	(12,242,206)
Dividend revenue	(217,315)	(215,560)
Share-based payments	-	41,500
Shares of profit from subsidiaries and associates	(139,818)	(117,608)
Unrealized net gain on foreign currency exchange	(28,579)	(168,708)
Gain from bargain purchase	(193,188)	-
Other adjustments	20,723	(10,145)
Changes in operating assets and liabilities		
Increase in due from the Central Bank and other banks	(695,382)	(1,421,701)
Decrease (increase) in financial assets at fair value through profit or loss	5,788,949	(7,309,324)
Decrease in financial assets at fair value through other comprehensive income	13,786,916	36,706,490
Increase in investments in debt instruments at amortized cost	(31,693,920)	(29,228,081)
Decrease in receivables	73,603	8,160,812
Increase in discounts and loans	(30,668,124)	(25,225,464)
Decrease in due to the Central Bank and other banks	(5,387)	(533,978)
Increase (decrease) in financial liabilities at fair value through profit or loss	(297,609)	5,413,537
Decrease in payables	(209,968)	(582,437)
Increase (decrease) in deposits and remittances	53,647,998	(18,451,456)
Increase in principal received on structured products	2,350,695	8,474,977
Decrease in provisions for employee benefits	(70,743)	(83,183)
Decrease in other liabilities	(9,906)	(62,517)
Cash generated from (used in) operations	11,384,973	(25,578,453)
Interest received	17,618,269	11,752,253
Dividends received	216,846	215,425
Interest paid	(10,666,714)	(4,787,346)
Income tax paid	(643,726)	(337,022)
Net cash generated from (used in) operating activities	17,909,648	(18,735,143)

(Continued)

FAR EASTERN INTERNATIONAL BANK LTD.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments accounted for using equity method	(426,147)	-
Acquisition of property and equipment	(680,452)	(2,071,583)
Proceeds from disposal of property and equipment	106	124
Increase in other financial assets	(2,034,582)	(540,357)
Increase in other assets	(78,061)	(12,641)
Dividends received from subsidiaries and associates	85,350	227,937
Net cash used in investing activities	(3,133,786)	(2,396,520)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in funds borrowed from the Central Bank and other banks	133,333	(77,240)
Repayments of bank debentures	(4,000,000)	(3,000,000)
Increase (decrease) in securities sold under repurchase agreements	(3,392,676)	4,690,600
Repayments of the principal portion of lease liabilities	(377,178)	(385,030)
Increase (decrease) in other financial liabilities	(1,089,088)	1,688,127
Cash dividends	(1,664,012)	(1,511,004)
Issuance of ordinary shares for cash	-	4,805,000
Net cash generated from (used in) financing activities	(10,389,621)	6,210,453
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	21,945	1,580,766
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,408,186	(13,340,444)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	28,530,386	41,870,830
CASH AND CASH EQUIVALENTS, END OF THE YEAR	$ 32,938,572	$ 28,530,386

Reconciliation of the amounts in the statements of cash flows with the equivalent items reported in the balance sheets is as follows:

	December 31	
	2023	2022
Cash and cash equivalents in balance sheets	$ 6,424,245	$ 7,835,225
Due from the Central Bank and other banks that meet the IAS 7 definition of “cash and cash equivalents”	24,273,642	19,548,386
Securities purchased under resale agreements that meet the IAS 7 definition of “cash and cash equivalents”	2,240,685	1,146,775
Cash and cash equivalents in statements of cash flows	$ 32,938,572	$ 28,530,386

(Concluded)

Attachment III.

Audit Committee's Review Report for 2023 Business Report and Financial Statements

To: 2024 Annual Shareholders' Meeting of Far Eastern International Bank

March 4, 2024

The Board of Directors has submitted business report, audited financial statements (certified by Chun-Hung Chen CPA, and Chen-Hsiu Yang CPA, of Deloitte & Touche) and earnings distribution proposal of the Bank for the year ended Dec.31 2023 for the Committee's review.

After reviewing, the Committee has found the above mentioned reports acceptable, and hence issued the review report herewith in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Hsiao Hui Wang

Hsiao-Hui Wang

Audit Committee Convener

Far Eastern International Bank

Attachment IV.

Amendment to the Articles of Incorporation of Far Eastern International Bank

Section	Proposed changes	Current Articles	Reasons
Article 15	The Bank shall have nine (9) to fifteen (15) Directors and shall have not less than one Director of different genders. All Directors shall be elected among the shareholders with capacity at a shareholders' meeting. The Directors shall include not less than three Independent Directors, and not less than one-third of the Director seats shall be held by the Independent Directors. A candidate nomination system shall be adopted for the election of Directors. The shareholders shall elect the Directors from the list of candidates of Directors. Any matters relating to nomination shall be handled in accordance with Article 192-1 of the Company Act and the relevant laws and regulations. The Bank's Audit Committee is organized by all Independent Directors in accordance with the provisions of the Securities Exchange Act. Members of the Audit Committee, the exercise of authorities, and other binding matters are processed in accordance with the governing law or the organizational regulations. The organizational regulation of the Audit Committee is separately prescribed by the Board of Directors. The number of total shares owned by the Directors shall be	The Bank shall have nine (9) to fifteen (15) Directors, all to be elected among the shareholders with capacity at a shareholders' meeting. The Directors shall include not less than three Independent Directors, and not less than one-fifth of the Director seats shall be held by the Independent Directors. A candidate nomination system shall be adopted for the election of Directors. The shareholders shall elect the Directors from the list of candidates of Directors. Any matters relating to nomination shall be handled in accordance with Article 192-1 of the Company Act and the relevant laws and regulations. The Bank's Audit Committee is organized by all Independent Directors in accordance with the provisions of the Securities Exchange Act. Members of the Audit Committee, the exercise of authorities, and other binding matters are processed in accordance with the governing law or the organizational regulations. The organizational regulation of the Audit Committee is separately prescribed by the Board of Directors. The number of total shares owned by the Directors shall be	According to Article 4 of the "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers", the listed company shall appoint at least one director of different gender than others, and the number of independent directors shall be at a minimum of three and no less than one-third of total seats in the board. The Articles of Incorporation of Far Eastern International Bank is amended accordingly because the above amendment shall apply to the Bank after expiration of current term of existing directors in 2024.

Section	Proposed changes	Current Articles	Reasons
	prescribed in accordance with the 'Regulation Governing the Shareholding Percentage of Directors and Supervisors and its Verification of Publicly Traded Companies'.	prescribed in accordance with the 'Regulation Governing the Shareholding Percentage of Directors and Supervisors and its Verification of Publicly Traded Companies'.	
Article 28	These Articles of Incorporation were established on May 14, 1990 and shall be effective as of the date on which they are approved by the competent authority. The amendment of Articles of Incorporation shall take effect on approval by the shareholders' meeting. Revision Record • Omitted • ※ The Thirty amendment was made on June 21, 2022. ※ <u>The Thirty-first amendment was made on June 19, 2024.</u>	These Articles of Incorporation were established on May 14, 1990 and shall be effective as of the date on which they are approved by the competent authority. The amendment of Articles of Incorporation shall take effect on approval by the shareholders' meeting. Revision Record • Omitted • ※ The Thirty amendment was made on June 21, 2022.	To record the 31th amendment.

Attachment V.

List of Candidates for Director Election

Title	Name	Education Background	Professional Background	Current Positions	Legal Entity Represented	Others
Director	Ms. Ching-Ing Hou	Master's degree in Economics, Vanderbilt University, U.S.A. BA & Master's degree in Economics, National Taiwan University	Professor, Dept. of Money and Banking , National Chengchi University Chairperson, Taiwan Academy of Banking and Finance Supervisor, Far Eastern New Century Corp.	Chairperson, Far Eastern International Bank Director, Southern Taiwan University of Science and Technology	Yue Ding Industry Co., Ltd.	None
Director	Mr. Douglas Tong Hsu	Honorary doctorate in Management, National Chiao Tung University. Master degree in University of Notre Dame, U. S. A. Columbia University, U. S. A.	Chairman, Far Eastern New Century Corp.	Chairman, Far Eastern New Century Corporation Chairman, Asia Cement Corp. Chairman, Far Eastern Department Stores Ltd. Chairman, Far EasTone Telecommunications Co., Ltd. Chairman, U-Ming Marine Transport Corp. Chairman, Orient Union Chemical Corp. Vice Chairman, Far Eastern International Bank Director, Everest Textile Ltd.	None	None
Director	Mr. Shaw Y. Wang	BA, Dept. of Business Administration, National Chung Hsing University EMBA Courses, National Taiwan University	Director & First Senior Executive Vice President, Far Eastern New Century Corp.	Director, Far Eastern New Century Corp./ Executive of Group Foundation Executive Director, Far Eastern International Bank Director, Far Eastern Asset Management Corp.	Far Eastern New Century Corp.	None

Title	Name	Education Background	Professional Background	Current Positions	Legal Entity Represented	Others
Director	Mr. Humphrey Cheng	EMBA, Graduate Institute of International Business, National Taiwan University. BA, Dept. of Law, National Chung Hsing University.	Vice President, Far Eastern New Century Corp.	President of Corporate Management, Far Eastern New Century Corp. Chairman, Deutsche Far Eastern Asset Management Company Limited Director, Oriental Union Chemical Corporation Director, Ding Ding Integrated Marketing Service Co. Director, Far Eastern International Bank Supervisor, Far Eastern Asset Management Corp.	Far Eastern New Century Corp.	None
Director	Mr. James Wu	MBA University of Missouri, U.S.A. BA, Department of Law, National Taiwan University	Chief Country Officer, Deutsche Bank, Taipei Branch, Taiwan Vice Chairman, Citibank, Taiwan Branch President, Fubon Commercial Bank President, FIL Securities Investment Trust Co. (Taiwan) Ltd. President, Citibank Securities (Taiwan) Ltd. President, Bankers Trust, Tokyo Branch Vice President, Bankers Trust, New York President, Yung-Shin Securities Co. Assistant Vice President, Chase Manhattan Bank, Hong Kong &Taipei District	Independent Director, Primax Electronics Ltd. Director, Far Eastern International Bank	Far Eastern New Century Corp.	None

Title	Name	Education Background	Professional Background	Current Positions	Legal Entity Represented	Others
Director	Mr. Tsung-Ming Chung	MBA, National Chengchi University	CPA, Deloitte & Touche.	Chairman, DynaPack Corp. Director, Vactronics Technologies Inc. Executive Director, Far Eastern International Bank	Asia Cement Corp.	None
Director	Dr. Min-Teh Yu	Ph.D., Ohio State University, U.S.A.	Professor, Dept. of Finance, National Taiwan University President, Providence University President, China University of Technology Dean, College of Management National Chiao Tung University Dean, College of Management, Yuan Ze University Commissioner, Resolution Trust Corporation (RTC), Executive Yuan Commissioner, National Development Fund, Executive Yuan Advisor, Asian Development Bank	Independent Director, JMicron Technology Corporation. Independent Director, Gourmet Master Co., Ltd. Director, Harbinger VIII Venture Capital Corp. Director, Far Eastern International Bank Professor, Providence University	U-Ming Marine Transport Corp.	None
Independent Director	Ms. Hsiao Hui Wang	BA, National Chengchi University, Taiwan	CPA, Deloitte Touche Supervisor, CTCI Advanced systems Inc. Independent Director, Les Enphants Co. Ltd.	Independent Director, Far Eastern International Bank Director, TN Soong Foundation	None	None

Title	Name	Education Background	Professional Background	Current Positions	Legal Entity Represented	Others
Independent Director	Mr. Chia-Juch Chang	Ph.D., Engineering, Purdue University, U.S.A.	President, Chung Hua University Chairman, China Steel Corp. Chairman, China Airlines Corp. Minister, Ministry of Economic Affairs Chairman, China Development Industrial Bank Chairman, CDIB Capital Group Chairman, China Development Financial Holding Corp.	Independent Director, Far Eastern International Bank Chairman, Transportation &Traffic Foundation Director, Eslite Corp.	None	None
Independent Director	Ms. Chiu-Ling Lu	Ph.D in Finance. University of Connecticut	Associate Dean, College of Management, National Taiwan University Deputy Director, International Industry-Academic Alliance Office of National Taiwan University Department Chair, Department of International Business, National Taiwan University Professor, Department of Financial, National Chengchi University	Independent Director, AU Optronics Corp. Independent Director, Chen Full International Co., Ltd. President, Takming University of Science and Technology Professor, Department of Finance, Takming University of Science and Technology Professor, Department of International Business, National Taiwan University	None	None
Independent Director	Mr. Bing Shen	MBA, Harvard Business School, U.S.A.	Vice President, Morgan Stanley Executive Director, Morgan Stanley Vice President, China Development Industrial Bank President, CDIB & Partners Investment Holding Corp. Director, CTCI Corp.	Independent Director, Elite Material Co., Ltd. Director, Orient Union Chemical Corp. Director, ECOVE Environment Corp.	None	None

GENERAL INFORMATION

I. Articles of Incorporation of Far Eastern International Bank

Responsible Department: General Administration Department
Amended date: June 21, 2022

Chapter I. General Provisions

Article 1

The purpose of the Bank is to support the government policy of financial internationalization and liberalization and to promote the development of domestic economy and industry. The Bank shall be named FAR EASTERN INTERNATIONAL BANK CO., LTD. and be incorporated as a Company Limited by Shares in accordance with the Bank Law and the Company Law of the Republic of China.

The English name of the Bank is to be FAR EASTERN INTERNATIONAL BANK.

Article 2

The head office of the Bank shall be located in Taipei, Taiwan, the Republic of China. Whenever deemed necessary to facilitate or promote business, the Bank may establish sub-organizations in any appropriate locations both at home and abroad.

Chapter II. Business of the Bank

Article 3

The business of the Bank shall be categorized as H101021 Commercial Banking Industry, H601011 Personal Insurance Agency and H601021 Property and Liability Insurance Agency.

Article 3-1

The scope of business of the Bank shall be as follows:

(1) To accept check deposits;
(2) To accept demand deposits;
(3) To accept time deposits;
(4) To provide short or long term loans;
(5) To accept discounted notes;
(6) To invest in government bonds, short term bills, corporate bonds and financial bonds;
(7) To engage in domestic and foreign remittance;
(8) To accept commercial bill of exchange;
(9) To issue local and foreign letters of credit;
(10) To engage in local and foreign guarantee service;
(11) To act as a collecting and paying agent;
(12) To act as agent for selling government bonds, treasury bills, corporate bonds and company stocks;
(13) To engage in credit card business;

(14) To engage in custodial and warehousing business;
(15) To engage in safe boxes leasing business;
(16) To buy and sell foreign cash and traveler's check;
(17) To provide guarantee service to export foreign exchange transaction, import foreign exchange transaction, general incoming and outgoing remittance, foreign exchange deposits, foreign exchange loans, and foreign exchange guaranteed payment;
(18) To provide foreign exchange collateralized account service;
(19) To engage in derivative financial products business to the approval of the central competent authority;
(20) To provide factoring service subject to the approval of the central competent authority;
(21) To issue financial bonds;
(22) To underwrite the issuance of corporate bonds;
(23) To provide the services as designated by the provisions of Trust Business Law;
(24) To engage in the securities business (to buy and sell securities as an agent);
(25) To sell gold bars, gold coins, and silver coins as an agent;
(26) To provide agent's service related to the above-mentioned business or subject to the approval of the central competent authority;
(27) To provide personal insurance agency services;
(28) To provide property and liability insurance agency services;
(29) To engage in other related business subject to the approval of the central competent authority.

Chapter III. Shares

Article 4

The total authorized capital of the Bank is to be Fifty Five Billion New Taiwan Dollars (NT$55,000,000,000), Five billion and Five Hundred Million (5,500,000,000) common shares with a par value of Ten New Taiwan Dollars (NT$10) per share, which may be partially issued, from time to time, by the Board of Directors under authorization.

Issuance of Preferred Stock shall not exceed the amount described above.

Article 4-1

The rights, obligations, and other important terms and conditions of the Bank's preferred stock are listed as follows:

1. Should there be surplus after the closing of annual accounts, the Bank shall make up the loss of the previous years. There should be retained a legal reserve of thirty percent (30%), then special reserve shall be retained in compliance with the law.

   After that, the remaining surplus should first be paid for the dividends of the current year on the Preferred Stock.

2. The dividends rate of Preferred Stock shall be capped at 8% per annum. The distributable dividends shall be calculated based on the actual selling price, and be distributed annually by cash. After the books of accounts are recognized in the yearly Shareholders' Meeting, the Board of Directors shall separately set an effective date for paying such dividends.

In the year of issuance and redemption, the distribution of the payable dividends shall be calculated based on the actual number of days the Preferred Stock remained outstanding in that year.

3. The Bank has sole discretion on the distribution of preferred share dividends. If after annual audited accounts are prepared, there is no earnings and no distributing dividends of common stock or insufficient earnings for distributing dividends of Preferred Stock, or if such kind distribution will cause the Bank's capital adequacy ratio to fall below the minimum requirement stipulated by the Regulations Governing the Capital Adequacy and Capital Category of Banks or the competent authorities, the cancellation of distributing Preferred Stock dividends by resolution of the Bank will not be deemed as an event of default. If the Preferred Stock issued is specified as non-cumulative, the undistributed dividends or shortfalls in dividends distributed shall not be cumulative and shall cease to accrue and be payable, therefore no deferred payment will be paid in subsequent years where there are earnings.
4. The remaining assets of the Bank shall be distributed to the holders of the Preferred Stock in preference to the holders of the Common Stock provided. The different types of preferred stock of the Bank shall rank pari passu without any preference among themselves and their repayment shall be capped at their respective issue amount. If the competent authority puts the Bank under receivership, appoints administrators to take over the Bank, or orders the Bank to suspend its business for special liquidation or to commence liquidation, the holder(s) of the Preferred Stock shall have the same priority as the holders of common shares in terms of distribution of the Bank's residual assets.
5. Holders of outstanding Preferred Stock have mandatory voting rights with respect to agendas that would affect Preferred Stock in Shareholders' meetings and in Preferred Shareholders' meetings. Except for the holders of the convertible Preferred Stock, the other holders of the Preferred Stock shall have no voting and election rights in the Shareholders' Meeting, but they all shall have the right to be elected to be directors.
6. Except the right of receive the dividends as provided in Sub-paragraph 2 of this Paragraph, the holders of the Preferred Stock, if holding non-participating preferred stock, shall have no right to the distribution of the cash or capital set aside from the surplus and capital surplus, available to the holders of the Common Stock.
7. In case of the issuing of new stock by the Bank due to capital increase, the holders of the Preferred Stock shall have the same pre-emptive right to purchase the new stock like the holders of the Common Stock.
8. Preferred Stock issued by the Bank, the Board of Director is authorized to set the convertible period in the specific issuance terms. If holding Convertible Preferred Stock, may be converted at least one year after the date of issuance terms. The holders of the Preferred Stock may, pursuant to the issuance terms, apply for converting the Preferred Stock, in full or in part, into shares of Common Stock of the Bank at the conversion rate of one-to-one. Upon conversion, the converted stock shall have the same rights and obligations as common stock. Dividends for Preferred Stock at the year of conversion shall be calculated based on the ratio between the actual issuance days and total days of the conversion year, should any shares of Preferred Stock be converted into shares of the Common Stock before the standard date

of dividends distribution, the holders shall not have the right to the dividends distribution of Preferred Stock in the current and following years, but such shareholder may participate in the distribution of profit and capital reserve to holders of common stock.

9. If the Bank issues non-perpetual Preferred Stock, the issuance period cannot be shorter than 5 years. Holders of Preferred Stock have no right to request redemption of such shares by the Bank. Upon expiry date of the issuance period or from the day following the fifth anniversary of the issuance date, the Bank may, pursuant to the issuance price and relevant issuance terms, redeem such shares in cash, compulsorily convert such shares into newly issued shares (at 1:1 ratio), or redeem such shares in other manners permissible by law. If at the time the Bank is unable to redeem all or a part of the Preferred Stock (due to force majeure or otherwise), the rights and obligations of the outstanding Preferred Stock will remain unchanged until full redemption by the Bank.
10. If the Bank issues perpetual Preferred Stock, holders of perpetual Preferred Stock have no right to request redemption of such shares by the Bank. The Bank may, subject to the competent authority's approval, entirely or partially redeem the issued Preferred Stock at the actual issue price. The Bank may set redemption date at a date no earlier than the day following the fifth anniversary of the issuance date. The rights and obligations of the remaining and outstanding Preferred Stock as described in the preceding paragraphs will remain unchanged.

The Board of the Directors shall be authorized to prescribe the issuance date and the specific terms of the Preferred Stock at the actual issue date according to the conditions of the current capital market and investors' expectation, in accordance with the Bank's Articles of Incorporation and applicable laws and regulations.

<u>Article 5</u>

All shares issued by the Bank shall be register shares and issued in accordance with the laws.

The shares issued by the Bank need not be witnessed by printed share certificate but shall be registered with a securities central depository institution.

<u>Article 6</u>

Any matter relating to share transactions of the Bank shall be handled in accordance with 'the Regulation Governing the Handling of Share Transactions by Publicly Traded Companies' and other relevant laws and regulations.

<u>Article 7</u>

Registration of transfer of a share certificate shall be suspended within sixty (60) days prior to a regular shareholders' meeting, or thirty (30) days prior to a special shareholders' meeting, or five (5) days prior to the date set for distributing dividends, bonuses, or other benefits.

Chapter IV. Shareholders' Meetings

<u>Article 8</u>

Meetings of shareholders of the Bank are of two kinds, namely: regular meetings of shareholders and special meetings of shareholders. Unless otherwise defined in the laws and regulations, the meetings are called by the Board of Directors according to law. A regular meeting of shareholders shall be called by the board of directors within six months after the conclusion of each business year. A special meeting of shareholders may be called by the law whenever they deem it necessary.

Article 9

Notice of a regular meeting of shareholders shall be given to each shareholder and publicly announced thirty (30) days prior to the date of meeting. Notice of a special meeting of shareholders shall be given to each shareholder and publicly announced fifteen (15) days prior to the date of meeting. The notice shall state the time, place, and the reasons for calling the meeting.

When the Company holds a shareholders' meeting, the meeting may be held by means of visual communication network, or other methods promulgated by the central competent authorities.

Article 10

Unless otherwise provided in the Company Law, a quorum of the meeting of shareholders shall consist of shareholders holding more than half the total outstanding shares issued by the Bank, resolutions of shareholders shall be made by a majority vote of shareholders present in person.

Article 11

The powers of the meeting of shareholders shall be as follows:

(1) To prescribe and amend the Articles of Incorporation;

(2) To elect the directors;

(3) To review the books prepared by the board of directors and the Audit Committee' reports;

(4) To review proposals governing the increase or decrease of the share capital of the Bank;

(5) To distribute profit or make up the deficit;

(6) To resolve on any other important matters or those as provided in the Company Law.

Article 12

When the shareholder is unable to attend the Shareholders' Meeting, the entrusted deputy may attend the meeting and exercise the shareholder's rights according to Article 177 of the Company Act. The entrusted deputy is not the shareholder only.

Unless the Company Law provides otherwise, the designation of a proxy by any shareholder shall be subject to the 'Regulation Governing the Attendance by Proxy of Shareholders' Meetings of Publicly Traded Companies'.

Article 13

Unless the Company Law or the Articles of Incorporation of the Bank should provide otherwise, the meetings of shareholders shall be presided over in accordance with the Rules of Proceedings for Meetings of Shareholders of the Bank.

Article 14

The resolutions at the Shareholder's Meeting shall be documented in the Meeting minutes. The Meeting minutes shall be signed or stamped by the Chairperson and the resolutions shall be exercised according to Article 183 of the Company Act.

Chapter V. Board of Directors and Managers

Article 15

The Bank shall have nine (9) to fifteen (15) Directors, all to be elected among the shareholders with capacity at a shareholders' meeting. The Directors shall include not less than three Independent Directors, and not less than one-fifth of the Director seats shall be held by the Independent Directors. A candidate nomination system shall be adopted for the election of Directors. The shareholders shall elect the Directors from the list of candidates of Directors. Any matters relating to nomination shall be handled in accordance with Article 192-1 of the Company Act and the relevant laws and regulations.

The Bank's Audit Committee is organized by all Independent Directors in accordance with the provisions of the Securities Exchange Act. Members of the Audit Committee, the exercise of authorities, and other binding matters are processed in accordance with the governing law or the organizational regulations. The organizational regulation of the Audit Committee is separately prescribed by the Board of Directors.

The number of total shares owned by the Directors shall be prescribed in accordance with the 'Regulation Governing the Shareholding Percentage of Directors and Supervisors and its Verification of Publicly Traded Companies'.

Article 16

The tenure in office of the Directors shall be three (3) years. All Directors are eligible for re-election.

Article 17

Three to five Managing Directors shall be elected by and from among the Directors. The Managing Directors shall include not less than one Independent Director, and not less than one-fifth of the Managing Director seats shall be held by Independent Directors. The Chairperson and Vice Chairman of the Board of Directors shall be elected by and from among the Managing Directors. Directors and Managing Directors shall form the Board of Directors and the Board of Managing Directors respectively.

The Board of Managing Directors shall carry out the functions of the Board of Directors while the Board of Directors is in recess.

One to Two Executive Directors shall be elected by and from among the Board of Directors. The Executive Directors shall attend meetings of the Board of Managing Directors but shall not vote.

Article 18

The Chairperson of the Board of Directors shall externally represent the Bank and internally preside over the shareholders' meetings, the meetings of the Board of Directors, and the meetings of the Board of Managing Directors. If, for temporary leave or other reasons, the Chairperson is unable to exercise his powers, the Vice Chairman of the Board of Directors shall act on his behalf; and if the Vice Chairman likewise is unable to exercise his powers, the Chairperson of the Board may designate one Managing Director to act on his behalf. In the absence of such designation, the Managing Directors or Directors shall elect one among themselves to exercise these powers.

Article 19

Regular meetings of the Board of Directors shall be convened once every three (3) months; and meetings of the Board of Managing Directors may convene from time to time.

In calling a meeting of the board of directors, a notice setting forth therein the subject(s) to be discussed at the meeting shall be given to each director no later than 7 days prior to the scheduled meeting date by means of personal delivery, fax, electronic mail, or postal delivery; however, in the case of emergency, the meeting may be convened at any time by the same means of notice as provided above.

If a Director is unable to attend the meeting, he may appoint another Director to act on his behalf at the meeting in accordance with the law.

The preparation and distribution of the minutes of meeting of the Board of Directors may be effected by means of electronic transmission.

Article 20

The Power of the Board of Directors shall be as follows:

(1) To review and approve any corporate rules or regulations;
(2) To review and approve business plan;
(3) To propose as to the increase or decrease of capital;
(4) To decide as to whether to establish, to revoke, or to change any of the branches and/or representative offices of the Bank;
(5) To review important contracts;
(6) To prepare and compile budgets and settlement of accounts;
(7) To decide as to whether to buy or sell real estates;
(8) To propose as to the appropriation of profits or surplus;
(9) To review and approve big loan applications and important businesses;
(10) To Review and approve the appointment and dismissal of officers and managers of Finance, Accounting, Risk Management, Legal Compliance, and Internal Audit;
(11) To review and approve the appointment and dismissal of each department head of both the administrative and business units.
(12) To review matters assigned by the Chairperson of the Board of Directors and the proposals submitted by the President;
(13) To carry out the resolutions of the shareholders' meeting;
(14) To perform any other functions as may be prescribed by laws and regulations.

Article 21

The Board of Directors shall be authorized to resolve on the remunerations of the directors based on their contribution to the operation of the Bank and the comparable level as offered by the other companies in the same trade.

Article 22

The Bank's management includes President, Executive Vice Presidents, Heads of Business Unit, Deputy Executive Vice Presidents, Department Heads (Managers and Officers), and Branch Managers.

The Bank shall appoint: a President to manage the overall business of the Bank in accordance with the policy adopted by the Board of Directors; and a number of managers at all levels are appointed to assist the President. Besides, the Bank shall also appoint one Chief Auditor to manage the overall auditing matters of the Bank. Appointment and dismissal of the above-mentioned personnel shall be approved by a majority vote of the Directors present at a Meeting of Board of Directors.

Chapter VI. Accounting

Article 23

The fiscal year of the Bank shall be from January 1st to December 31st, and based on the calendar years of the Republic of China. There shall be two accounting periods in a year. June 30 shall be the settling date for the 1st period and December 31 that for the second period. At the end of the fiscal year, an annual settlement of accounts shall be conducted.

Article 24

For the purpose of settling the accounts of the Bank, the Board of Directors shall prepare various documents and statements and present them to the Audit Committee for examination thirty (30) days prior the regular meeting of shareholders.

After it is submitted to and audited by the Audit Committee, it should be submitted to the regular shareholders meeting for acknowledgment.

The documents enumerated in the preceding paragraph shall be declared to the competent authorities in accordance with the Company Act, Securities and Exchange Act, Banking Act and other laws and ordinances concerned and shall be duly promulgated as required.

Article 25

If there be net income before income tax, remuneration of directors and employees' compensation, the Bank should retain an employees' compensation of 3.5%-4.5% and a remuneration of directors no greater than 1.5%. Should there be accumulated loss, the Bank shall retain earnings to cover the loss in advance.

Employees' compensation may be distributed in the form of stocks or in cash. The amount distributable as employees' compensation and remuneration of directors shall be decided by a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

Article 25-1

In case of surplus after settlement of accounts for each fiscal year, the Bank shall recover all the losses incurred in the previous years, if any, before setting aside a legal reserve of thirty percent (30%) of the net profit and appropriating, according to law and regulations, a special reserve shall be retained, and shall first be distributed to the dividends of Preferred Stock. The remaining amount together with the accumulated retained profits of the last year and the reversals of special reserves are available for distribution as dividends for Common Stock. The dividends for Common Stock shall be distributed at least thirty per cent (30%) of the remaining amount. The Board of Directors shall prepare the earnings distribution in accordance with the existing circumstances at the time, taking into account the future development plan of the Bank.

Any allocation of cash dividend shall, in principle, be no less than 10% of the total dividends to be distributed that year.

Before the above-mentioned legal reserve reaches the amount of total paid-in capital, the maximum appropriation of cash dividends shall not exceed fifteen percent (15%) of the total paid-in capital.

Chapter VII. Supplemental Provisions

Article 26

Rules governing the organization of the Bank, and other rules and regulations shall be separately prescribed by the Board of Directors.

Article 27

The matters not provided for in the Articles of Incorporation of the Bank shall be dealt with in accordance with the Bank Law, the Company Law, and other relevant financial laws and regulation.

Article 28

These Articles of Incorporation were established on May 14, 1990 and shall be effective as of the date on which they are approved by the competent authority.

The amendment of Articles of Incorporation shall take effect on approval by the shareholders' meeting.

Revision Record

Version	Date	Approving Authority	Notes
01	1991/12/09	Preparatory Commission	first edition
02	1993/05/21	Shareholders' Meeting	
03	1995/05/19	Shareholders' Meeting	
04	1996/05/22	Shareholders' Meeting	
05	1997/05/21	Shareholders' Meeting	
06	1998/05/20	Shareholders' Meeting	
07	1999/05/19	Shareholders' Meeting	
08	2000/04/28	Shareholders' Meeting	
09	2001/05/11	Shareholders' Meeting	
10	2002/06/05	Shareholders' Meeting	
11	2003/05/29	Shareholders' Meeting	
12	2004/04/16	Shareholders' Meeting	
13	2006/06/27	Shareholders' Meeting	

14	2007/06/20	Shareholders' Meeting	
15	2007/06/20	Shareholders' Meeting	
16	2008/06/06	Shareholders' Meeting	
17	2008/06/06	Shareholders' Meeting	
18	2009/06/10	Shareholders' Meeting	
19	2009/06/10	Shareholders' Meeting	
20	2010/06/21	Shareholders' Meeting	
21	2011/06/15	Shareholders' Meeting	
22	2012/06/26	Shareholders' Meeting	
23	2013/06/19	Shareholders' Meeting	
24	2014/06/24	Shareholders' Meeting	
25	2015/06/16	Shareholders' Meeting	
26	2016/06/15	Shareholders' Meeting	
27	2018/06/20	Shareholders' Meeting	
28	2020/06/11	Shareholders' Meeting	
29	2021/07/20	Shareholders' Meeting	
30	2022/06/21	Shareholders' Meeting	

II. Rules of Conducting Shareholders' Meeting of Far Eastern International Bank

Responsible Department: General Administration Department
Amended date: June 21, 2022

Article 1 The shareholders' meeting of the Bank shall be held according to the rules herein.

Article 2 The location for shareholders' meeting shall be the Bank's place of business or a place convenient for attendance by shareholders (or by proxies) that is suitable to holding of this meeting. The meeting shall be held between 9:00AM and 3:00PM.

Changes to how the Bank convenes its shareholders' meeting shall be resolved by the Board of Directors and shall be made no later than mailing of the shareholders' meeting notice.

The shareholders' meeting notice shall state the registration time, location and other important information. The aforesaid registration time shall start at least thirty minutes before the beginning of the meeting. The registration desk shall be featured with clear instructions and competent staffs. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

When convening shareholders' meeting, the Bank shall incorporate electronic vote casting as one of the alternative ways to cast the vote, and the procedure of electronic casting shall be written in the notice of shareholders' meeting. Shareholders who vote via electronic casting is deemed as presented in person.

If shareholders have not withdrawn the declaration of intent for exercising voting rights and attend the shareholders meeting in person or register to attend the meeting online, except for extraordinary motions and exercising voting rights, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Shareholders (or proxies) shall attend shareholders' meeting based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification. Shareholders (or proxies) when attending the meeting shall hand in sign-in cards.

Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the sign-in cards handed in and the number of shares registered at the video conferencing platform plus the number of shares whose voting rights are exercised by correspondence or electronically.

The Bank may appoint lawyers, accountants or related personnel to attend the shareholders' meeting.

The personnel in charge of handling the affaires of the meeting shall wear identification badge or armband.

For a shareholders' meeting convened by the board of directors, the chairperson of the board of directors shall preside at the meeting. If the chairperson of the board of directors is on leave or unable to exert the rights, the vice-chairman of the board of directors shall preside instead. If the position of vice-chairman is vacant or the vice-chairman is on leave or unable to exert the rights, the chairperson of the board of directors shall designate a director to preside at the meeting. If no director is so designated, the chairperson of the meeting shall be elected by the board of directors from among themselves. When a director serves as chairperson, the director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Bank. The same shall be true for a representative of a juristic person director that serves as chairperson.

For a shareholders' meeting convened by any other person having the convening right, he/she shall act as the chairperson of that meeting; if there are two or more persons having the convening right, the chairperson of the meeting shall be elected from among themselves.

The complete processes of the meeting shall be recorded by voice and video recorders and all the records shall be kept by the Bank for a minimum period of at least one year. If a shareholder files a lawsuit pursuant to Article 189 of the Company Law, the video and audio records shall be retained until the conclusion of the litigation. Where a virtual shareholders meeting is convened, the Bank shall continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end, and the relevant information and audio and video recording shall be properly kept by the Bank during the entirety of its existence.

Article 3 The chairperson shall announce starting of the meeting when the attending shareholders (or proxies) represent more than half of the total shares issued in public. The chairperson may announce postponement of meeting if the legal quorum is not present after the designated meeting time. Such postponement is limited to two times and the aggregated postponed time shall not exceed one hour. If quorum is still not present after two postponements but the attending shareholders (or proxies) represent more than one third of the total shares issued in public, tentative resolution/s may be passed with respect to ordinary resolution/s by a majority of those present.

After proceeding with the aforesaid tentative resolutions, the chairperson may put the tentative resolutions for re-voting over the meeting if and when the shares represented by the attending shareholders (or proxies) reached the legal quorum.

Article 4 If the shareholders' meeting is convened by the board of directors, the agenda shall be designated by the board of directors. The meeting shall proceed in accordance with the designated agenda and shall not be amended without resolutions.

If the meeting is convened by person, other than the board of directors, having the convening right, the provision set out in the preceding paragraph shall apply mutatis mutandis.

Except with shareholders' resolution, the chairperson shall not declare adjournment of the meeting before the first two matters set out in the agendas (including extemporary motions) are concluded. During the meeting, if the chairperson declares adjournment of the meeting in violation of the preceding rule, a new chairperson may be elected by a resolution passed by majority of the attending shareholders to continue the meeting.

When the meeting is adjourned by resolution, the shareholders shall not elect another chairperson to continue the meeting at the same location or another venue.

Article 5 The shareholders (or proxies) shall complete statement slip setting out the number of his/her attendance card, name and statement brief before speaking, and the chairperson will designate the order in which each person is to speak during the session.

No statement will be considered to have been made if the shareholder (or proxies) merely completes the statement slip without speaking at the meeting. If there are any discrepancies between the content of the statement slip and the speech made, the statement to be adopted shall be the statement confirmed.

Article 6 Any proposal for the agendas shall be submitted in written form. Except for the proposals set out in the agenda, any proposal by the shareholders (or proxies) to amend, substitute or to initiate extemporary motions with respect to the original proposal shall be seconded by other shareholders (or proxies). The same rule shall apply to any proposal to amend the agenda and motion to adjourn the meeting. The shares represented by the proponents and the seconders shall reach 100,000.

Article 7 The explanation of proposal shall be limited to 5 minutes. The statement of inquiry and reply shall be limited to 3 minutes per person. The time may be extended for 3 minutes with the chairperson's permission.

The chairperson may restrain shareholders (or proxies) from speaking if that shareholders (or proxies) speak overtime, speak beyond the allowed frequency or content of the speech is beyond the scope of the proposal. When a shareholder (or proxy) is speaking, other shareholder (or proxy) shall not interrupt without consent of the chairperson and the speaking shareholder (or proxy). Any disobedient of the preceding rule shall be prohibited by the chairperson. Article 15 of this meeting rule shall apply if the disobedient do not follow the chairperson's instructions.

Article 8 For the same proposal, each person shall not speak more than 2 times.

When a juristic person is a shareholder, only one representative shall be appointed to attend the meeting.

If more than two representatives were appointed to attend the meeting, only one representative is allowed to speak.

Article 8-1 Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in Article 5, 7 and 8 do not apply.

Article 9 After speaking by the attending shareholder (or proxy), the chairperson may reply in person or assign relevant officer to reply.

Over the proposal discussion, the chairperson may conclude the discussion in a timely manner and where necessary announce discussion is closed.

Article 10 For proposal in which discussion has been concluded or closed, the chairperson shall submit it for voting.

No discussion or voting shall proceed for matters unrelated to the proposal.

The personnel responsible for overseeing and counting of the votes for resolutions shall be appointed by the chairperson.

The person responsible for vote overseeing shall be of the shareholder status.

Article 11 Where a virtual shareholders meeting is convened, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

Except as otherwise provided by law and regulation or by the Bank's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders (or proxies).

Voting and election on each proposal shall be a one-time voting, and votes shall be counted at once after the chair announces the voting session ends. Whichever way of the voting procedures shall be decided by the chairperson. At the time of a vote, after the chairperson or a person designated by the chairperson announces the total number of voting rights represented by the attending shareholders, the shareholders shall vote.

If there are amendments or substitute proposals for the same proposal, the sequence of which to be put to vote shall be decided by the chairperson. If one of the two proposals has been approved, the other shall be deemed rejected without requirement to put it to vote.

The results of voting and election shall be announced after the vote calculation on the spot and kept for records.

In the event of a virtual shareholders meeting, the Bank shall disclose real-time results of votes and election immediately after the end of voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

Article 12 During the meeting, the chairperson may at his/her discretion declare time for break.

Article 13 In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under law and regulation, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days.

If a force majeure event occurs during the meeting, the chairperson may rule the meeting temporarily suspended and announce a time when, in view of circumstances, the meeting will be resumed.

Article 14 The chairperson may maintain the meeting order by instructing the security guards. The security guards shall wear the armband for identification when helping maintaining the venue order.

Article 15 The shareholders (or proxies) shall obey the instructions of the chairperson and security guards in terms of maintaining the order. The chairperson or security guards may exclude the persons disturbing the shareholders' meeting from the meeting.

Article 16 For matters not governed by the rules specified herein, shall be governed according to Company Law, Securities Exchange Act and the other related laws and regulations.

Article 17 The regulations will be implemented with the approval of the Preparatory Commission. The amendment of the regulations will be implemented after it is resolved in the shareholders' meeting.

Revision Record

Version	Date	Approving Authority	Notes
01	1991/12/09	Preparatory Commission	first edition
02	1997/05/21	Shareholders' Meeting	
03	1998/05/20	Shareholders' Meeting	
04	2002/06/05	Shareholders' Meeting	
05	2012/06/26	Shareholders' Meeting	
06	2014/06/24	Shareholders' Meeting	
07	2021/07/20	Shareholders' Meeting	
08	2022/06/21	Shareholders' Meeting	

III. Guidelines of Electing Directors of Far Eastern International Bank

Responsible Department: General Administration Department
Amended date: June 21, 2022

Article 1 Except as otherwise provided by law and regulation or by the Bank's Articles of Incorporation, the rules shall apply to the election of directors of the Bank.

Article 2 The election of the Bank's directors shall be on the basis of accumulation of votes. Ballot of the eligible voter shall be assigned with code of certificate of present voter. The ballots to be prepared by Board of directors shall indicate serial number of present voter and the number of votes he represented.

Article 3 The election of the Bank's directors and Independent directors shall be elected by candidate nomination system in accordance with Article 192-1 of Company Law and regarding the qualification. Independent directors, non-independent directors in accordance with the articles of incorporation of the Bank and the board of directors shall be elected, but the ballots shall be calculated separately and respectively. For the seats of the Bank's Directors and Supervisors, the ones winning more ballots shall be elected to fill up the seats separately as independent directors, non-independent directors and supervisors. Independent condition and other matters, "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and other related laws and regulations should be followed.

Article 4 In the beginning of the election, the chairperson shall designate two canvassers and two tally clerks to carry out relevant missions. The canvassers shall be limited to shareholders of the Bank.

Article 5 The canvasser shall perform the following missions:

(1) Prior to casting of votes, open the vote box to the participants and have a seal attached onto the cover of box.
(2) Maintain good order for vote casting and prevent any negligence or irregularities in voting.
(3) Upon completion of voting, remove the seal from box cover, take out the ballots and count the number of ballots.
(4) Check to see if there are any invalid votes and have the valid votes hand over to tally clerk.
(5) Conduct supervision over the votes recorded by tally clerk and votes won by the eligible directors/supervisors.

Article 6 Where a candidate is a natural person, the voters shall expressly enter the candidate's name. Where a candidate is a government or a corporate shareholder, the name of the government or a corporate shareholder should be filled in. Where a candidate is the representative of the government or a corporate shareholder, the name of the government or a corporate shareholder and its representative shall be filled in.

Article 7 A ballot is null and void if:

(1) Not in the ballot form as required under the Regulations.

(2) Bearing two or more candidates on a same ballot.

(3) Remaining blank bearing no entries from the vote.

(4) Other words or marks are entered in addition to the candidate whose name is entered in the ballot and the number of voting rights allotted.

(5) The writing is unclear and indecipherable.

(6) The candidate whose name is entered in the ballot does not conform to the director candidate list.

(7)The total number of voting rights allocated by the voter on the voting ballot exceeds the number of voting rights held by the voter.

Article 8 The ballot boxes shall be prepared by the Bank and shall be opened, checked and verified by ballot monitor in public before balloting process.

Article 9 After all ballots are cast into ballot box, the canvasser shall join the tally clerk in opening of ballot box.

Article 10 The canvasser shall supervise over the count of ballots of tally clerk.

Article 11 In case of any doubts about the ballots, the canvasser shall be requested to conduct a verification to see the validity of the ballots. The invalid ballots shall be segregated from the valid ones and be certified as invalid ballots by the canvasser after having counted number of ballots and the voting rights.

Article 12 According to results of the votes, the canvasser shall conduct a check on the valid ballots and invalid ballots and produce a record indicating the number of valid ballots and voting rights, the invalid ballots and the voting rights and then the chairperson shall announce the names of the elected Directors and Supervisors.

Article 13 These guidelines shall become effective upon having been approved by meeting of shareholders and the same provision shall also apply to revision thereto.

Revision Record

Version	Date	Approving Authority	Notes
01	1991/12/09	Preparatory Commission	first edition
02	1999/05/19	Shareholders' Meeting	
03	2002/06/05	Shareholders' Meeting	
04	2008/06/06	Shareholders' Meeting	
05	2013/06/19	Shareholders' Meeting	
06	2015/06/16	Shareholders' Meeting	
07	2022/06/21	Shareholders' Meeting	

IV. Current Shareholding of Directors and Independent Directors

As on April 21, 2024

Position	Name of persons or companies	Representatives	Number of shares	Percentage of shareholdings
Chairperson	Yu Ding Industrial Co., Ltd.	Ching-Ing Hou	12,097,899	0.30%
Vice Chairman	Douglas Tong Hsu	-	7,547,319	0.19%
Independent Director, Managing Director	Hsiao Hui Wang	-	0	0
Executive Director	Far Eastern New Century Corp.	Shaw Y. Wang	103,816,444	2.55%
	Asia Cement Corp.	Tsung-Ming Chung	93,302,771	2.29%
Director	Far Eastern New Century Corp.	Humphrey Cheng	103,816,444	2.55%
	Far Eastern New Century Corp.	James Wu	103,816,444	2.55%
	Asia Cement Corp.	Shi-Chun Hsu	93,302,771	2.29%
	U-Ming Marine Transport Corp.	Min-Teh Yu	93,235,625	2.29%
Independent Director	Susan S. Chang	-	0	0
	Chia-Juch Chang	-	0	0
Total shareholding of all directors			310,000,058	7.62%
The min. required shareholding of all directors, by law			97,667,613	2.40%

Note: The individual shareholding of representatives is excluded.

V. Impact of Stock Dividends on Operating Results, Earnings per Share and Shareholders' Return on Investment

(Unconsolidated, in NT$,000)

Items \ Year			2024 (Forecast)
Beginning paid-in capital			40,694,838
Dividends distribution	Cash dividends per share (NT$)		0.5060 (Note 1)
	Stock dividends per share, from earnings distribution (number of shares)		0.0506 (Note 1)
	Stock dividends per share, from capital surplus (number of shares)		0 (Note 1)
Change in business results	Operating profit		Not applicable (Note 2)
	Increase (decrease) % of operating profit from last year		
	Net income		
	Increase (decrease) % of net income from last year		
	Earnings per share (EPS)（with retroactive adjustment）		
	Increase (decrease) % of EPS from last year		
	Annually averaged return on investment%（reverse of annually averaged price-earnings (P/E) ratio）		
Pro forma Earnings per share (EPS) and price-earnings (P/E) ratio	If stock dividends from earning is paid fully by cash dividends	Pro forma earnings per share(EPS)	
		Pro forma annually averaged return on investment	
	If no stock dividends from capital surplus	Pro forma earnings per share(EPS)	
		Pro forma annually averaged return on investment	
	If stock dividends from capital surplus and from earnings are paid fully by cash dividends	Pro forma earnings per share(EPS)	
		Pro forma annually averaged return on investment	

Note1：By board resolution on March 4, 2024, cash dividends of NT$0.506 and stock dividends of NT$0.506 were approved for distribution, where the actual distribution is subject to resolution at 2024 shareholders' meeting.

Note2：The Bank's 2024 financial forecast is not disclosed to general public; hence the info is not available.

Chairman：Ching-Ing Hou　　President：Thomas Chou　　Chief Accountant：Yun-Yi Chen

遠東集團
FAR EASTERN GROUP

遠東國際商業銀行
Far Eastern Int'l Bank

台北市敦化南路二段207號26.27樓
26.27/F, 207 Tun Hwa S. Road, Sec. 2, Taipei
Tel:(02)2378-6868 Fax:(02)2377-9000
Swift Code： FEINTWTP
https://www.feib.com.tw