PT. BANK RAKYAT INDONESIA (PERSERO) TBK., TAIPEI BRANCH

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

AND INDEPENDENT AUDITOR'S REPORT

PT. BANK RAKYAT INDONESIA (PERSERO) TBK., TAIPEI BRANCH

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Independent Auditor's Report

To：PT. Bank Rakyat Indonesia (Persero) Tbk., Taipei Branch

Opinion

We have audited the financial statements of PT. Bank Rakyat Indonesia (Persero) Tbk., Taipei Branch (the "Branch"), which comprise the balance sheets as of December 31, 2022 and 2021, the statements of comprehensive income, statements of changes in head office account, and statements of cash flows from January 1 to December 31, 2022 and from January 18, 2021 (date of registration) to December 31, 2021, and notes to the financial statements (including summary of significant accounting policies).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Branch as of December 31, 2022 and 2021, its financial performance and its cash flows from January 1 to December 31, 2022 and from January 18, 2021 (date of registration) to December 31, 2021 in accordance with the International Financial Reporting Standards, International Accounting Standards, and the related interpretations recognized by the Financial Supervisory Commission (together "IFRSs").

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards 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 Branch in accordance with the Code of Professional Ethics for Certified Public Accountant of the Republic of China (the "Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 IFRSs, and for such internal control as management determines 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 also responsible for assessing the Branch'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 Branch or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Branch 's financial reporting process.

Auditor's 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 auditor's 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 auditing standards 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 auditing standards 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 Branch'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 Branch's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in Our auditor's 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 auditor's report. However, future events or conditions may cause the Branch to cease to continue as a going concern.

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

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

This engagement partner on the audit resulting in this independent auditor's report is Chiu, Chi-Sheng.

Crowe (TW) CPAs

Crowe (TW) CPAs

Taipei, Taiwan

Republic of China

April 20, 2023

<u>Notice to Readers</u>

The accompanying Financial Statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices of the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such Statements are those generally accepted and applied in the Republic of China. For the convenience of readers, the independent auditor's 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 auditor's report and Financial Statements shall prevail.

PT. Bank Rakyat Indonesia (Persero) Tbk., Taipei Branch
Balance Sheets
December 31, 2022 and 2021

Unit：NTD

Assets	December 31, 2022 Amount	%	December 31, 2021 Amount	%
Cash and cash equivalents (Note 6(1))	$ 7,928,950	1	$ 228,444,590	74
Due from the Central Bank and interbank lending (Note 6(2))	3,130,837	-	100,000	-
Financial assets at fair value through other comprehensive income (Note 6(3))	737,445,950	66	-	-
Receivables - net (Note 6(4))	1,332,757	-	-	-
Income tax assets	322,292	-	-	-
Discounts and loans - net (Note 6(5))	300,110,338	27	-	-
Property and equipment, net (Note 6(6))	1,989,833	-	1,003,725	-
Right-of-use assets, net (Note 6(7))	56,733,302	6	74,188,254	25
Intangible assets, net (Note 6(8))	126,874	-	56,630	-
Other assets, net (Note 6(9))	4,842,679	-	4,002,088	1
Total assets	$ 1,113,963,812	100	$ 307,795,287	100
Liabilities and Head Office Account				
Payables (Note 6(10))	$ 162,487	-	$ 11	-
Deposits and remittances (Note 6(11))	28,917,741	3	745,660	-
Lease liabilities (Note 6(7))	55,800,837	5	74,342,208	24
Other liabilities	-	-	1,078	-
Total liabilities	84,881,065	8	75,088,957	24
Head office account				
Operating capital (Note 6(12))	1,100,000,000	98	251,000,000	82
Retain earnings	(69,034,131)	(6)	(18,293,670)	(6)
Other equity (Note 6(13))	(1,883,122)	-	-	-
Total head office account	1,029,082,747	92	232,706,330	76
Total liabilities and head office account	$ 1,113,963,812	100	$ 307,795,287	100

(The accompanying notes form an integral part of the financial statements)

PT. Bank Rakyat Indonesia (Persero) Tbk., Taipei Branch

Statements of Comprehensive Income

For the Years ended December 31, 2022 and January 18, 2021 (Date of Registration) to December 31, 2021

Unit：NTD

Item	2022 Amount	2022 %	2021/1/18~2021/12/31 Amount	2021/1/18~2021/12/31 %
Interest income	$ 6,367,891	105	$ 101,189	115
Due from the Central Bank and interbank lending (Note 6(2))	(815,954)	(13)	(21)	-
Net interest income (Note 6(14))	5,551,937	92	101,168	115
Non-interest income (loss), net				
Net service fee income (loss) (Note 6(15))	395,483	7	(12,931)	(15)
Exchange gains (losses) (Note 6(16))	43,441	-	-	-
Net other non-interest income (Note 6(17))	54,764	1	-	-
Total net revenue	6,045,625	100	88,237	100
Provision for bad debt expense, commitments and guarantees (Note 6(5))	(3,031,418)	(50)	-	-
Operating expenses				
Employee benefits (Note 6(18))	(20,140,492)	(333)	(4,892,812)	(5,545)
Depreciation and amortization expense (Note 6(19))	(17,782,855)	(294)	(4,889,395)	(5,541)
Other business and administrative expenses (Note 6(20))	(15,831,321)	(262)	(8,599,700)	(9,746)
LOSS BEFORE INCOME TAX	(50,740,461)	(839)	(18,293,670)	(20,732)
Income tax expense (Note 6(21))	-	-	-	-
NET LOSS	(50,740,461)	(839)	(18,293,670)	(20,732)
Other comprehensive income, net of tax (Note 6(22))	(1,883,122)	(31)	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	($ 52,623,583)	(870)	($ 18,293,670)	(20,732)

(The accompanying notes form an integral part of the financial statements)

PT. Bank Rakyat Indonesia (Persero) Tbk., Taipei Branch

Statements of Changes in Head Office Account

For the Years ended December 31, 2022 and January 18, 2021 (Date of Registration) to December 31, 2021

Unit：NTD

Item	Operating capital	Accumulated Earnings	Other equity item	Total Head Office Account
		Undistributed Earnings	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	
Fund contribution from head office	$ 251,000,000	$ -	$ -	$ 251,000,000
Net loss (2021/01/18~2021/12/31)	-	(18,293,670)	-	(18,293,670)
Balance at December 31, 2021	251,000,000	(18,293,670)	-	232,706,330
Addition on operating capital	849,000,000	-	-	849,000,000
Net loss - 2022	-	(50,740,461)	-	(50,740,461)
Other comprehensive income - 2022	-	-	(1,883,122)	(1,883,122)
Balance at December 31, 2022	$ 1,100,000,000	($ 69,034,131)	($ 1,883,122)	$ 1,029,082,747

(The accompanying notes form an integral part of the financial statements)

PT. Bank Rakyat Indonesia (Persero) Tbk., Taipei Branch

Statements of Cash Flows

For the Years ended December 31, 2022 and January 18, 2021 (Date of Registration) to December 31, 2021

In NTD

Item	2022	2021/01/18-2021/12/31
CASH FLOWS FROM OPERATING ACTIVITIES：		
Loss before income tax	($ 50,740,461)	($ 18,293,670)
Adjustments for:		
Income/gain or expense/loss items not affecting cash flows		
Depreciation and amortization expenses	17,782,855	4,889,395
Expected credit losses/bad debts expense	3,031,418	-
Interest income	(6,367,891)	(101,189)
Interest expense	815,954	21
Changes in operating assets / liabilities		
Increase in due from the Central Bank and interbank lending	(627,000)	-
Increase in financial assets at fair value through other comprehensive income	(739,329,072)	-
Increase in discounts and loans	(303,141,756)	-
Increase in other assets	(840,591)	(4,002,088)
Increase in deposits and remittances	28,172,081	745,660
Increase in payables	158,964	-
Increase (decrease) in other liabilities	(1,078)	1,078
Cash used in operations	(1,051,086,577)	(16,760,793)
Interest received	5,035,134	101,189
Interest paid	(812,442)	(10)
Income tax paid	(322,292)	-
Net cash used in operating activities	(1,047,186,177)	(16,659,614)
CASH FLOWS FROM INVESTING ACTIVITIES：		
Acquisition of property, plant and equipment	(1,305,505)	(1,075,182)
Acquisition of intangible assets	(78,750)	(58,800)
Net cash used in investing activities	(1,384,255)	(1,133,982)
CASH FLOWS FROM FINANCING ACTIVITIES：		
Repayment of the principal portion of lease liabilities	(18,541,371)	(4,661,814)
Fund contribution from head office	-	251,000,000
Increase in operating capital	849,000,000	-
Net cash generated by financing activities	830,458,629	246,338,186
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(218,111,803)	228,544,590
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	228,544,590	-
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 10,432,787	$ 228,544,590
COMPOSITION OF CASH AND CASH EQUIVALENTS		
cash and cash equivalents recognized in balance sheet	$ 7,928,950	$ 228,444,590
Investments in bills and bonds with reverse repurchase agreements that are defined as cash and cash equivalents under IAS 7	1,309,131	100,000
Due from Central Bank and interbank lending that are defined as cash and cash equivalents under IAS 7	-	-
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 9,238,081	$ 228,544,590

(The accompanying notes form an integral part of the financial statements)

PT. Bank Rakyat Indonesia (Persero) Tbk., Taipei Branch
Notes to Financial Statements
For the Years ended December 31, 2022 and 2021
(Amounts Expressed in New Taiwan Dollars, Unless Specified Otherwise)

1. General Information

PT. Bank Rakyat Indonesia (Persero) Tbk., Taipei Branch (the "Branch ") is a licensed and registered commercial bank according to The Banking Act of The Republic of China since January 2021, with its bank business license (Foreign Bank Branch Business License No. 110001) obtained in February 2021. The Branch mainly engages in financial businesses approved by the central competent authorities. As of December 31, 2022, the registered operating capital to the Branch was $1,100,000,000.

The Branch's functional currency and presentation currency used in the financial statements are both in New Taiwan Dollars.

The registered business address and major operating location of the Branch is at 1F., No. 166, Sec. 3, Nanjing E. Rd., Zhongshan Dist., Taipei City. As of December 31, 2022, the number of people employed by the Branch was 18.

2. The Authorization of the Financial Statements

These financial statements were approved and authorized for release by the management on April 20 ,2023.

3. Application of New Standards, Amendments, and Interpretations

(1) Effects from application of the International Financial Reporting Standards, International Accounting Standards, and the related interpretations recognized by the Financial Supervisory Commission ("FSC") (together "IFRSs")：

The following summarizes the newly published, amended or revised IFRSs that are recognized by FSC and effective in 2022：

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB (Note A)
Amendments to IAS 16 "Property, Plant and Equipment: Proceeds before Intended Use"	January 1, 2022 (Note B)
Amendments to IAS 37 "Onerous Contracts—Cost of Fulfilling a Contract"	January 1, 2022 (Note C)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note D)
Annual Improvements to IFRS Standards 2018–2020	January 1, 2022 (Note E)

Note A: Unless stated otherwise, the New IFRSs above are effective for annual periods beginning on or after their respective effective dates.

Note B: An entity shall apply these amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

Note C: An entity shall apply these amendments to contracts for which it has not yet fulfilled all its obligations on January 1, 2022.

Note D: These amendments apply to business combinations whose acquisition date occur during the annual reporting periods beginning on or after January 1, 2022.

Note E: An entity shall apply the Amendment to IFRS 9 to financial liabilities that are modified or exchanged during the annual reporting periods beginning on or after January 1, 2022. An entity shall apply the Amendment to IAS 41 to fair value measurements for annual reporting periods beginning on or after January 1, 2022. An entity shall apply the Amendment to IFRS 1 for annual reporting periods beginning on or after January 1, 2022.

A. Amendments to IAS 16 "Property, Plant and Equipment: Proceeds before Intended Use"

The amendments set out that proceeds from selling items produced while bringing an item of property, plant and equipment to the location and condition necessary for them to be capable of operating in the manner intended by management shall not be recognized as a deduction of the asset. Instead, the proceeds from selling such items and the costs of those items, measured in accordance with IAS 2, shall be recognized in profit or loss in accordance with applicable IFRS Standards. Additionally, the amendments clarify that costs of testing whether the asset is functioning properly is the costs of assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

The Branch shall apply these amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the Branch first applies the amendments. The cumulative effects of initially applying the amendments shall be recognize as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented with comparative information restated.

B. Amendments to IAS 37 "Onerous Contracts — Cost of Fulfilling a Contract"

The amendments set out that, when determining whether a contract is onerous, the cost of fulfilling a contract comprises (a) the incremental costs of fulfilling that contract—for example, direct labor and materials; and (b) an allocation of other costs that relate directly to fulfilling contracts—for example, an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract among others.

C. Amendments to IFRS 3 "Reference to the Conceptual Framework"

The amendments update a reference to the Framework in IFRS 3 and require the acquirer shall apply IFRIC 21 for a levy that would be within the scope of IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

D. Annual Improvement to IFRS Standards 2018-2020

The annual improvement amends several Standards. Among which, the Amendment to IFRS 9 clarifies that, in determining whether an exchange or modification of the terms of a financial liability is substantially different from those of the original liability, only fees paid net of fees received between the Branch (the borrower) and the lender for the new or modified contract, including fees paid or received by either the Branch or the lender on the other's behalf, shall be included in the '10 per cent' test of the discounted present value of the cash flows under the new terms.

After assessment, the above standards and interpretations do not have material impact on the financial position and financial performance of the Branch.

(2) Effects from not yet adopting the newly published, amended or revised IFRSs that have been endorsed and issued into effect by FSC：

The following summarizes the newly published, amended or revised IFRSs that are recognized by FSC and effective in 2023：

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IAS 1 "Disclosures of Accounting Policies"	January 1, 2023 (Note A)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note B)
Amendments to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"	January 1, 2023 (Note C)

Note A: An entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2023.

Note B: These amendments apply to changes in accounting estimates and changes in accounting policies that occur during annual reporting periods beginning on or after January 1, 2023.

Note C: An entity shall apply the amendments to transactions that occur on or after the beginning of the earliest comparative period presented. It also, at the beginning of the earliest comparative period presented, recognizes deferred taxes for all temporary differences related to leases and decommissioning obligations and recognizes the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

A. Amendments to IAS 1 "Disclosures of Accounting Policies"

The amendments clarify that an entity shall disclose its material significant accounting policy information if the transaction, other event or condition to which the accounting policy information relates is material in size or nature, or a combination of both, and the accounting policy information that relates to a material transaction, other event or condition is also material to the financial statements. On the other hand, if the transaction, other event or condition to which the accounting policy information relates is immaterial in size or nature, an entity needs not to disclosure the accounting policy information that relates to the immaterial transaction, other event or condition. Additionally, Immaterial accounting policy information that relates to material transactions, other events or conditions need not be disclosed, either. However, an entity's conclusion that accounting policy information is immaterial does not affect the related disclosure requirements set out in other IFRS Standards.

B. Amendments to IAS 8 "Definition of Accounting Estimates"

The amendments define accounting estimates as monetary amounts in financial statements that are subject to measurement uncertainty and clarify that a change in measurement techniques or inputs used to develop an accounting estimate is a change in accounting estimates unless the change is due to an error from prior periods.

C. Amendments to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"

The amendments narrow the exemption extent in paragraphs 15 and 24 of IAS 12 for an entity from recognizing a deferred tax asset or liability in particular circumstances. In particular, the exemption does not apply to a transaction that gives rise to equal taxable and deductible difference at the time of the transaction. At the initial application of the amendments, an entity shall, at the beginning of the earliest comparative period presented, recognize deferred taxes for all deductible and taxable temporary differences associated with (i) lease and (ii) decommissioning liabilities and recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date. An entity shall also apply the amendments transactions that occur on or after the beginning of the earliest comparative period presented. When initially applying the amendments, the information for comparable periods shall be restated.

The Branch has evaluated the aforementioned standards and interpretations, and there is no significant effect to the Branch's financial position and performance from the standards and interpretations.

(3) The IFRS issued by IASB but not yet endorsed and issued into effect by FSC

The following summarizes IFRS issued by International Accounting Standards Board ("IASB") new, revised or amended standards and interpretations but not yet endorsed and issued into effect by the FSC：

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IRFS 17	January 1, 2023
Amendments to IRFS 17 "Initial Application of IFRS 17 and IFRS 9—Comparative Information"	January 1, 2023
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

As of the date of issuing the financial statements, the Branch continues in evaluating the impact on its financial position and financial performance from the adoption of the aforementioned standards or interpretations. The related impact will be disclosed when the Branch completes its evaluation.

4. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented unless otherwise stated.

(1) Statement of Compliance

The financial statements have been prepared in accordance with the IFRSs that have been endorsed and issued into effect by FSC.

(2) Basis of Preparation

Except for the following items, the financial statements have been prepared under the historical cost convention:

A. Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

B. Financial assets and liabilities at fair value through other comprehensive income financial assets measured at fair value.

C. Liabilities on cash-settled share-based payment arrangements measured at fair value.

D. Defined benefit liabilities recognized at the net value of pension fund assets less the present value of defined benefit obligations.

The preparation of financial statements in conformity with the IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Branch's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

3. Transaction in foreign currencies

The Branch's transactions in foreign currencies are recorded in its functional currency translated at the exchange rates on the transaction date. By the end of each reporting period, the foreign-currency items are translated at the exchange rates on the reporting date ; Non-monetary foreign-currency items measured at fair value are translated at the exchange rates on the reporting date for determining fair value ; Non-monetary foreign-currency items measured at historical costs are translated at the exchange rates on the original transaction date.

Except for the following items, the generated exchange differences from settling or translating monetary items are recorded as profit or loss in the period occurred :

(1) Regarding foreign-currency borrowings assumed for obtaining assets meeting certain criteria, if the generated foreign exchanges are deemed as adjustments to interest costs and as part of the borrowing costs, then they are capitalized as part of the assets obtained.

(2) For foreign-currency items under IFRS 9 "Financial Instruments", they are treated according to the accounting policies for financial instruments.

(3) For monetary items that constitute part of net investments in foreign operations by reporting entities, the generated exchange differences are initially recorded other comprehensive income or loss, then reclassified from equity to profit or loss upon disposal of the net investments.

When the gains or losses of the non-monetary items are recorded as other comprehensive income or loss, any exchange component related to the gains or losses is recorded on other comprehensive income or loss. When the gains or losses of the non-monetary items are recorded in profit or loss, any exchange component related to the gains or losses is recorded in profit or loss.

4. Cash and cash equivalents

Cash and cash equivalents are cash on hand, cash in banks, due from other banks, short-term time deposits and short-term financial instruments that are readily convertible to a known amount of cash with insignificant risk of change in value. For the statement of cash flows, cash and cash equivalents are cash and cash equivalents in the balance sheet, due from the Central Bank and interbank lending meeting the definition of "cash and cash equivalents" under the IAS 7 as recognized by the FSC, and investments in notes and bonds with resell agreements.

5. Financial instruments

Financial assets and financial liabilities are recognized when the Branch becomes a party to the contractual provisions of the instrument.

Upon initial recognition of financial assets and financial liabilities, if the financial assets and financial liabilities are not measured at fair value through profit or loss, they are measured at fair value, plus the transaction costs that can be directly attributable to obtaining or issuing the financial assets and financial liabilities.

(1) Financial assets

Transaction date accounting is adopted for recording customary transactions of financial assets.

A. Measurement type

The financial assets held by the Branch are classified as financial assets measured at amortized cost and as debt investments measured at FVTOCI.

(A) Financial assets measured at amortized cost

If the invested financial assets by the Branch meet both of the following two criteria, those assets are classified as Financial assets measured at amortized cost：

a. The purpose of holding the financial assets is to receive contractual cash flows；and

b. The contractual provisions of the investments generate cash flows on specified date(s), and such cash flows are fully for payment of the principals and the interests from the outstanding principals.

After initial recognition of the various financial assets measured at cost (including cash and cash equivalents, due from the Central Bank and interbank lending, receivables, lending, etc.), they are subsequently measured at amortized cost computed based on the total book value determined by effective interest method, less of any impairment loss. Any foreign exchange gain or loss is recorded in profit or loss.

Except for the following two conditions, interest income is computed using the total book value of the financial assets, multiplied by the effective interest rate：

a. For purchased or originated credit-impaired financial asset, interest income is computed using the amortized cost of the financial assets, multiplied by the credit-adjusted effective interest rate.

b. For financial assets that are not purchased or originated credit-impaired but later become credit-impaired, interest income is computed using the amortized cost of the financial assets, multiplied by the effective interest rate.

(B) Debt investments measured at fair value through other comprehensive income

Debt instruments that meet both of the following conditions are measured at FVTOCI:

a. The debt instrument is held within a business model whose objective is achieved by both collecting of contractual cash flows and selling of such financial assets; and

b. The contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt investments at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt investments relating to interest income calculated using the effective interest method, changes in foreign currency exchange rates, and impairment losses or reversals are recognized in profit or loss. Other changes in the carrying amount of these debt investments are recognized in other comprehensive income and will be reclassified to profit or loss when such investment is disposed of.

B. Impairment of financial assets

On each balance sheet date, after considering all reasonable and supported information (including forecasting information), the Branch uses the amount of expected 12-month credit losses to measure the loss allowances for items including lending, receivables, investments in debt instruments measured at FVTOCI, investments in debt instruments measured at amortized cost, lending commitments and financial guarantee contracts；Regarding items whose credit risks have been significantly increased or are credit-impaired, their loss allowances are measured using the expected credit losses amount during the existing period.

The Branch has reflected the expected credit losses using the following methods for measuring financial instruments：

(A) The un-biased and probability-weighted amount determined by assessing various possible outcomes；

(B) Time value of money；

(C) Reasonable and supported information (available on the reporting date without requiring excessive costs or spending) related to past events, current conditions and projected future economic conditions

For credit assets, the impairment loss should be assessed at the balance sheet date in accordance with the provisions of "Regulations Governing Transactions Other Than Loans between Insurance Enterprises and Interested Parties", "No. 10300329440 issued by Financial Supervisory Commission at December 4, 2014 on strengthening the risk-bearing capacity of real estate loans of domestic banks", " No. 10410001840 issued by Financial Supervisory Commission at April 23, 2015 on strengthening domestic banks' ability to control and bear risks in Mainland China" and IFRS 9 ", the allowance for doubtful accounts should be provided at the greater of the two amounts and presented as a net amount.

In accordance with the "Regulations Governing Transactions Other Than Loans between Insurance Enterprises and Interested Parties" (the "Regulations") of the FSC, the Branch classifies credit assets into normal credit assets and nonperforming credit assets that are noteworthy, expected to be collected, difficult to collect, and not expected to be collected, based on the financial status of the creditors and whether there is a delay in the repayment of principal and interest. The collateral value of specific debts is evaluated to assess the collectability of nonperforming credit assets.

The above-mentioned regulations state that the minimum provision for allowance for doubtful accounts and guarantees shall be based on the aggregate of 1%, 2%, 10%, 50% and the total balance of the credit balance of normal credit assets (excluding the balance of debts to government agencies in Taiwan), non-performing credit assets that are noteworthy, expected to be collected, difficult to collect, and not expected to be collected, respectively. In addition, the FSC requires banks to provide at least 1.5% of the allowance for doubtful accounts for Type I credit facilities (including short-term trade financing) and Type I loans for the purchase of residential properties plus renovation loans and construction loans to mainland China.

Regarding confirmed un-collectible credit rights, the Branch would report to the board of directors and write off the accounts after approval by the board of directors.

C. Derecognition of financial assets

The Branch only writes off financial assets whose contractual rights to the cash flows from the financial assets are terminated, or almost all of the risk and return related to the ownership of the assets have been transferred to other enterprises. If the Branch retains almost all of the risk and return related to the ownership of the financial assets, then continue to record the assets and the collected proceeds are recorded as liabilities.

On derecognition of financial assets, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of a debt investment measured at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss.

(2) Equity Instruments

Debt and equity instruments issued by the Branch are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Equity instruments issued by the Branch entity are recognized at the proceeds received, net of direct issue costs.

(3) Financial liabilities

A. Subsequent measurement

All financial liabilities are measured at amortized costs using effective interest method.

B. Derecognition of financial liabilities

The Branch derecognizes financial liabilities when, and only when the Branch 's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(4) Modification of Financial Instruments

When the contractual cash flows of a financial instrument are renegotiated or modified and the renegotiation or modification does not result in the derecognition of that financial instrument, the branch recalculates the gross carrying amount of the financial asset or the amortized cost of the financial liabilities using the original effective interest rate and recognizes a modification gain or loss in profit or loss. Any costs or fees incurred adjust the carrying amount of the modified financial instrument and are amortized over the remaining term of the modified financial instrument. If the renegotiation or modification results in that the derecognition of that financial instrument is required, then the financial instrument is derecognized accordingly.

If the basis for determining the contractual cash flows of a financial asset or financial liability changes resulting from interest rate benchmark reform and the change is necessary as a direct consequence of interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis, the branch applies the practical expedient to account for that change as a change in effective interest rate. If changes are made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the branch first applies the practical expedient aforementioned to the changes required by interest rate benchmark reform, and then applies the applicable requirements to any additional changes to which that practical expedient does not apply.

6. Leases

The Branch assesses whether or not a contract is a (or contains) lease on the date when the contract is formed. For contracts that contain lease component and one or more additional lease or non-lease components, based on the corresponding stand-alone price of each lease component and the summarized stand-alone prices of non-lease components, the Branch allocates the proceeds of the contract to the respective lease components.

(1) When the Branch is a lessee

Except for leases with low-value underlying assets or short-term leases with expense recognition on straight-line basis, the Branch recognizes right-of-use assets and lease liabilities for all other leases on the starting date of the leases.

Right-of-use assets：

Right-of-use assets are initially recognized at cost (including the initial measurement amount of lease liabilities, lease payments before the starting date of lease after subtracting the incentives received, the initial direct cost and estimated cost of recovering the underlying assets), then subsequently measured at the amount of costs after subtracting the accumulated depreciation and accumulated impairment losses, and then adjust the remeasurement amount of the lease liabilities.

Depreciation for right-of-use asset is recognized on straight-line basis, beginning from the starting date of the lease to either reaching the economic useful life or the lease period, whichever is earlier. But if, upon expiry of the lease period, the Branch will obtain ownership to the underlying asset, or if the cost of the right-of-use asset reflects exercising purchase for the right-of-use asset, then recognize depreciation from the starting date of the lease until reaching the economic useful life of the underlying asset.

Lease liabilities：

Lease liabilities are initially measured at the present value of lease payments (including fixed payments, substantial fixed payments, variable lease payments determined by indices or fee rates, expected amount of payment by lessee under residual-value guarantee, price of reasonably expected execution price for purchasing the right-of-use asset, and expected termination penalty from execution of option to terminate the lease by the lessee during the lease period, less the lease incentive received). If the implied interest rate of the lease can be easily determined, lease payments are discounted using the interest rate. If the interest rate cannot be easily determined, then use the incremental borrowing rate of the lessee.

If there is change in future lease payment due to change in assessment of lease period and purchase option of underlying asset, change in expected amount of payment by lessee under residual-value guarantee, or change in indices or fee rates used to determine lease payments, the Branch will re-measure the lease liabilities and adjust the right-of-use assets accordingly. But if the book value of right-of-use assets has been reduced to zero, then recognize the remaining remeasurement amount in profit or loss. Lease liabilities are listed as a standalone item in the balance sheet.

(2) When the Branch is a lessor

If almost all risks and returns attached to the underlying asset of a lease have been transferred, then classify the lease as financial lease; otherwise, classify as operating lease.

Under financial lease, lease payments include fixed payments, substantial fixed payments, variable lease payments determined by indices or rates, etc. The net lease investment amount is the total present value of receivable lease payments and un-guaranteed residual value, plus the initial direct cost, and it is expressed as Financial lease receivable. The Branch adopts systematic and reasonable basis to allocate the financial income among the lease period and to reflect the fixed rate of return earned in respective periods.

Under operating lease, lease payments after subtracting lease incentives are recorded as lease revenue using straight-line method. The original direct costs occurred due to obtaining the operating lease are included in the carrying value of the target assets and recorded as expenses during the lease period under straight-line basis.

7. Property and equipment

The Branch's property and equipment are recorded at historical costs, less the accumulated depreciation and accumulated impairment loss. Historical costs include any expenditures directly attributable to the acquisition of the assets.

If it is probable that the future economic benefits generated from subsequent expenditures on the assets will flow to the Branch and can be measured reliably, then the subsequent expenditures on the assets are included in the book value of the assets, or can be recorded as a standalone asset. The book value of the replaced item will be written off.

When the benefits of expenditures on material improvements or repairments cover future period, those expenditures are capitalized. As to expenditures on routine maintenance or repairment, they are expensed in the period occurred.

Each year the Branch reviews and adjusts the residual value and economic useful lives of the assets.

Straight-line method is used for depreciation and amortized among the economic useful lives to the residual value. The estimated economic useful lives are as following：

Office equipment	5-10 years
Miscellaneous equipment	5 years

Disposal gains or loss is the difference between the book value and disposal proceeds, and the disposal gains or loss is recorded as "Other non-interest income, net".

8. Intangible assets

The intangible assets of the Branch are purchased computer software, and the cost incurred from the purchase and use is capitalized. The estimated economic useful lives of computer software are 5~10 years.

9. Revenue recognition

After contractual obligations are identified in a customer contract, the transaction price is allocated to the respective contractual obligations, and revenue is recognized when the respective contractual obligations are satisfied.

(1) Interest revenue

Interest revenue is recognized when the economic benefits of the financial assets is very likely to flow to the Branch, and the revenue amount can be reliably measured. All interest revenue generated from interest-bearing financial instruments are recognized by accrual basis with effective interest rates according to applicable rules.

(2) Service fee income

Service fee income and charges are recognized at a time when the loan is offered or other services are provided； When it is related to earned services for carrying out large tasks, then income is recognized when the large tasks are completed, such as service charge for making syndicated loans；For fee income and charges related to subsequent lending services, according to materiality, they are recorded or included in part of computing the effective interest rates of loans and receivable during the service period.

10. Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except when it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

B. The current-period income tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Branch and its subsidiaries operate and generate taxable income. Management periodically evaluates the filing status of tax returns based on applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax calculated in accordance with Income Tax Act of the Republic of China is levied on the unappropriated retained earnings and is recorded as income tax expense in the subsequent year when the stockholders approve to distribute retain earnings.

C. Deferred income tax is recognized using the balance sheet method, on the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Branch and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

D. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

11. Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

B. Pensions

Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund from the plan or a reduction in future contributions to the plan.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligations and those amounts can be reliably estimated. Any difference between the amount accrued and the amount actually distributed is accounted for a change in accounting estimate.

5. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

The Branch considers the economic implications of COVID-19 when making its critical accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis by management. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period ; If the revisions affect both current and future periods, then recognize in the period of revisions and future periods.

(1) Critical judgements in applying accounting policies:

Business model assessment for financial assets

The branch determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment involves judgment and consideration of all relevant evidence, such as how the performance of the assets is evaluated, the risks that affect the performance of the assets, and how the managers of the assets are compensated. The branch constantly assess the adequacy of its business model and monitors financial assets measured at amortized cost and debt investments measured at fair value through other comprehensive income. When these assets are derecognized prior to their maturity, the branch reviews the reasons for their disposal and whether the reasons are consistent with the objective of the business for which the assets were held. If the objective of the business for an asset is changed, the classification of the asset is prospectively changed from the reclassification date.

(2) Critical accounting estimates and assumptions:

Estimated impairment of financial assets

The provision for impairment of loans, discounts, accounts receivables, debt investments, and financial guarantee contracts is based on assumptions on risk of default and expected loss rates. The branch makes these assumptions and selects inputs for impairment calculation based on the branch's historical experience and existing market conditions, as well as forward looking information. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

6. Description of Significant Accounting Items

1. Cash and cash equivalents

Item	December 31, 2022	December 31, 2021
Cash on hand	$ 293, 478	$ 747, 324
Interbank lending	7, 635, 472	227, 697, 266
Total	$ 7, 928, 950	$ 228, 444, 590

For the purpose of preparing the statements of cash flows, cash and cash equivalents comprise of the following amounts :

Item	December 31, 2022	December 31, 2021
Recorded cash and cash equivalents on the balance sheet	$ 7, 928, 950	$ 228, 444, 590
Due from the Central Bank and interbank lending that are defined as cash and cash equivalents under IAS 7 recognized by FSC	1, 309, 131	100, 000
Investments in bills and bonds with reverse repurchase agreements that are defined as cash and cash equivalents under IAS 7 recognized by FSC	-	-
Recorded cash and cash equivalents on the statement of cash flows	$ 9, 238, 081	$ 228, 544, 590

2. Due from the Central Bank and interbank lending

Item	December 31, 2022	December 31, 2021
Deposits in the Central Bank		
Category A deposit reserve	$ 1, 309, 131	$ 100, 000
Category B deposit reserve	627, 000	-
Subtotal	1, 936, 131	100, 000
Guarantee accounts for interbank settlements	1, 194, 706	-
Total	$ 3, 130, 837	$ 100, 000

The deposit reserves deposited at the Central Bank are determined monthly at prescribed rates based on the average balances of monthly deposits. Category A deposit reserve account is non-interest bearing and deposits/withdrawals can be made any time ; Category B deposit reserve account is interest bearing; however withdrawals are not available until monthly adjustment of deposit reserve balance or meeting the statutory conditions.

3. Financial assets at fair value through other comprehensive income

Item	December 31, 2022	December 31, 2021
Debt instruments		
NCDs issued by Central Bank	$ 435, 000, 000	$ -
Domestic government bonds	304, 329, 072	-
Subtotal	739, 329, 072	-
Valuation adjustment	(1, 883, 122)	
Total	$ 737, 445, 950	$ -

4. Receivable, net

Item	December 31, 2022	December 31, 2021
Interests receivable	$ 1, 332, 757	$ -
Less: Loss allowance	-	-
Net balance	$ 1, 332, 757	$ -

5. Discounts and loans - net

Item	December 31, 2022	December 31, 2021
Short-term loans	$ 126, 376	$ -
Short-term secured loans	80, 669	-
Medium-term loans	1, 743, 354	-
Long-term loans	301, 191, 357	-
Subtotal	303, 141, 756	-
Less: loss allowance	(3, 031, 148)	-
Net	$ 300, 110, 338	$ -

(1) December 31, 2022

A. Changes in loss allowance are as follows:

	12-month expected credit loss	Expected credit loss over the duration (collective assessment)	Expected credit losses over the duration (individual assessment)	Expected credit losses over the duration (except for New financial assets acquired or created)	Impairment loss in accordance with IFRS 9	Impairment differences recognized in accordance with the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans"	Total
Opening balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Changes arising from financial instruments recognized at the beginning of the period :							
- Transfer to expected credit losses for the duration	-	-	-	-	-	-	-
- Transfer to credit-impaired financial assets	-	-	-	-	-	-	-
- Transfer to 12-month expected credit loss	-	-	-	-	-	-	-
- Financial assets derecognized in the current period	-	-	-	-	-	-	-
New financial assets acquired or created	3, 031, 418	-	-	-	3, 031, 418	-	3, 031, 418
Impairment differences recognized in accordance with the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans"	-	-	-	-	-	-	-
Write off bad debts	-	-	-	-	-	-	-
Recovery after bad debt written off bad debts	-	-	-	-	-	-	-
Changes in foreign exchange and other items	-	-	-	-	-	-	-
Ending balance	$ 3, 031, 418	$ -	$ -	$ -	$ 3, 031, 418	$ -	$ 3, 031, 418

B. Total changes in carrying amount are as follows:

	12-month expected credit loss	Expected credit loss over the duration (collective assessment)	Expected credit losses over the duration (individual assessment)	Expected credit losses over the duration (except for New financial assets acquired or created)	Total
Opening balance	$ -	$ -	$ -	$ -	$ -
- Transfer to expected credit losses for the duration	-	-	-	-	-
- Transfer to credit-impaired financial assets	-	-	-	-	-
- Transfer to 12-month expected credit loss	-	-	-	-	-
New financial assets acquired or created	-	303, 141, 756	-	-	303, 141, 756
Write off bad loans	-	-	-	-	-
Derecognition	-	-	-	-	-
Ending balance	$ -	$ 303, 141, 756	$ -	$ -	$ 303, 141, 756

(2) Breakdowns of the allowance for doubtful accounts and guarantee liabilities are as follows:

Item	December 31, 2022	2021/01/18~2021/12/31
Allowance for receivables and loans	$ 3, 031, 418	$ -

6. Property and equipment, net

Item	December 31, 2022	December 31, 2021
Miscellaneous equipment	$ 119, 300	$ 74, 500
Office equipment	2, 261, 387	1, 000, 682
Total cost	2, 380, 687	1, 075, 182
Less: Accumulated depreciation	(390, 854)	(71, 457)
Total	$ 1, 989, 833	$ 1, 003, 725

Cost	Miscellaneous equipment	Office equipment	Total
Balance at January 1, 2022	$ 74, 500	$ 1, 000, 682	$ 1, 075, 182
Additions	44, 800	1, 260, 705	1, 305, 505
Disposals	-	-	-
Balance at December 31, 2022	$ 119, 300	$ 2, 261, 387	$ 2, 380, 687
Accumulated depreciation			
Balance at January 1, 2022	$ 7, 450	$ 64, 007	$ 71, 457
Depreciation	23, 866	295, 531	319, 397
Disposals	-	-	-
Balance at December 31, 2022	$ 31, 316	$ 359, 538	$ 390, 854

Cost	Miscellaneous equipment	Office equipment	Total
Balance at January 18, 2021	$ -	$ -	$ -
Additions	74, 500	1, 000, 682	1, 075, 182
Disposals	-	-	-
Balance at December 31, 2021	$ 74, 500	$ 1, 000, 682	$ 1, 075, 182
Accumulated depreciation			
Balance at January 18, 2021	$ -	$ -	$ -
Depreciation	7, 450	64, 007	71, 457
Disposals	-	-	-
Balance at December 31, 2021	$ 7, 450	$ 64, 007	$ 71, 457

None of the Branch's property and equipment is provided as collateral.

7. Lease agreements

(1) Right-of-use assets

Item	December 31, 2022	December 31, 2021
Buildings	$ 75, 567, 904	$ 75, 567, 904
Transportation equipment	3, 436, 118	3, 436, 118
Total cost	79, 004, 022	79, 004, 022
Less: Accumulated depreciation	(22, 270, 720)	(4, 815, 768)
Total	$ 56, 733, 302	$ 74, 188, 254

Cost	Buildings	Transportation equipment	Total
Balance at January 1, 2022	$ 75, 567, 904	$ 3, 436, 118	$ 79, 004, 022
Additions	-	-	-
Disposals	-	-	-
Balance at December 31, 2022	$ 75, 567, 904	$ 3, 436, 118	$ 79, 004, 022
Accumulated depreciation			
Balance at January 1, 2022	$ 3, 854, 796	$ 960, 972	$ 4, 815, 768
Depreciation	15, 736, 888	1, 718, 064	17, 454, 952
Disposals	-	-	-
Balance at December 31, 2022	$ 19, 591, 684	$ 2, 679, 036	$ 22, 270, 720

Cost	Buildings	Transportation equipment	Total
Balance at January 18, 2021	$ -	$ -	$ -
Additions	75, 567, 904	3, 436, 118	79, 004, 022
Disposals	-	-	-
Balance at December 31, 2021	$ 75, 567, 904	$ 3, 436, 118	$ 79, 004, 022
Accumulated depreciation			
Balance at January 18, 2021	$ -	$ -	$ -
Depreciation	3, 854, 796	960, 972	4, 815, 768
Disposals	-	-	-
Balance at December 31, 2021	$ 3, 854, 796	$ 960, 972	$ 4, 815, 768

As of December 31, 2022 and 2021, there was no sign of impairment for right-of-use assets, and thus no impairing assessment was performed.

(2) Lease liabilities

Item	December 31, 2022	December 31, 2021
Lease liabilities	$ 55, 800, 837	$ 74, 342, 208

The range of discount rates for lease liabilities was 1.351%~1.961%.

(3) Material lease activities and terms

The Branch leases land and buildings mainly for office use, with lease term of 5 years ; By the end of the lease term, the Branch has priority rights to extend the lease of the buildings.

(4) Other lease information

A. For the year ended December 31. 2022 and 2021, the Branch chose exemption treatment for short-term and low-value assets and did not recognize the related right-of-use assets and lease liabilities

B. The related lease expense information was as follows:

	2022	2021/01/18~2021/12/31
Expenses attributable to short-term leases	$ 5, 971, 222	$ 4, 750, 417
Lease expenses attributable to low-value assets	$ 1, 943, 197	$ 836, 899
Total cash outflow for leases	$ 27, 120, 569	$ 10, 446, 016

8. Intangible assets, net

Item	December 31, 2022	December 31, 2021
Computer software-cost	$ 137, 550	$ 58, 800
Less: Accumulated amortization	(10, 676)	(2, 170)
Total	$ 126, 874	$ 56, 630

Changes in intangible assets:

Cost	Computer software
Balance at January 1, 2022	$ 58, 800
Additions	78, 750
Disposals	-
Balance at December 31, 2022	$ 137, 550

Accumulated depreciation	
Balance at January 1, 2022	$ 2, 170
Depreciation	8, 506
Disposals	-
Balance at December 31, 2022	$ 10, 676

Cost	Computer software
Balance at January 18, 2021	$ -
Additions	58, 800
Disposals	-
Balance at December 31, 2021	$ 58, 800

Accumulated depreciation	
Balance at January 18, 2021	$ -
Depreciation	2, 170
Disposals	-
Balance at December 31, 2021	$ 2, 170

9. Other assets, net

Item	December 31, 2022	December 31, 2021
Refundable deposits	$ 1, 228, 492	$ 1, 178, 552
Prepayments	2, 679, 210	2, 599, 373
Miscellaneous assets	934, 977	224, 163
Total	$ 4, 842, 679	$ 4, 002, 088

10. Payable

Item	December 31, 2022	December 31, 2021
Interest payable	$ 3, 523	$ 11
Expenses payable	102, 977	-
Receipts under custody payable	55, 987	-
Total	$ 162, 487	$ 11

11. Deposits and remittances

Item	December 31, 2022	December 31, 2021
Demand deposits	$ 7, 820, 781	$ 745, 660
Time deposits	6, 170, 038	-
Demand saving deposits	14, 926, 922	-
Total	$ 28, 917, 741	$ 745, 660

12. Operating capital

The movements of the Branch's operating capital are as follows :

		2022
Balance at January 1, 2022	$	251, 000, 000
Additions to operating capital		849, 000, 000
Balance at December 31, 2022	$	1, 100, 000, 000

		2021/01/18 ~2021/12/31
Balance at January 18, 2021	$	-
Additions to operating capital		251, 000, 000
Balance at December 31, 2021	$	251, 000, 000

13. Other equity

Item		Unrealized (gain) loss on debt investments measured at FVTOCI
Balance at January 1, 2022	$	-
Unrealized (gain) loss on financial assets measured at FVTOCI	(	1, 883, 122)
Balance at December 31, 2022	($	1, 883, 122)

Item		Unrealized (gain) loss on debt investments measured at FVTOCI
Balance at January 18, 2021	$	-
Unrealized (gain) loss on financial assets measured at FVTOCI		-
Balance at December 31, 2021	$	-

14. Net interest income

Item	2022	2021/01/18 ~2021/12/31
Interest income		
From discounts and loans	$ 2, 155, 427	$ -
From deposits and interbank lending	506, 091	101, 189
From investing marketable securities	3, 706, 373	-
Subtotal	6, 367, 891	101, 189
Interest expense		
From deposits	(26, 984)	(21)
From interbank funding and funding through Central Bank	(124, 191)	-
From lease liabilities	(664, 779)	-
Subtotal	(815, 954)	(21)
Net interest income	$ 5, 551, 937	$ 101, 168

15. Net service fee income (loss)

Item	2022	2021/01/18 ~2021/12/31
Service fee income		
Remittance fee	$ 32, 750	$ -
Service fee income from loans	391, 108	-
Deposits, remittance and other fee income	307, 465	500
Subtotal	731, 323	500
Handling expenses		
Remittance expenses	(26, 764)	(13, 431)
Deposits, remittance and other handling expenses	(309, 076)	-
Subtotal	(335, 840)	(13, 431)
Net service fee income (loss)	$ 395, 483	($ 12, 931)

16. Exchange gains (losses)

Item	2022	2021/01/18 ~2021/12/31
Exchange gains (losses) – spot	$ 43, 441	$ -

17. Net other non-interest income

Item	2022	2021/01/18 ~2021/12/31
Other net gains (losses)	$ 54, 764	$ -

18. Employee benefits

Item		2022		2021/01/18 ~2021/12/31
Salary expense	$	16, 689, 116	$	3, 885, 646
Labor and health insurance		1, 452, 659		858, 608
Pension and retirement benefits		443, 065		148, 558
Other employee benefits		1, 555, 652		-
Total	$	20, 140, 492	$	4, 892, 812

19. Depreciation and amortization expenses

Item		2022		2021/01/18 ~2021/12/31
Depreciation expense - property and equipment	$	319, 397	$	71, 457
Depreciation expense - right-of-use assets		17, 454, 952		4, 815, 768
Amortization expense - intangible assets		8, 506		2, 170
Total	$	17, 782, 855	$	4, 889, 395

20. Other businesses and administrative expenses

Item		2022		2021/01/18 ~2021/12/31
Rental expense	$	7, 914, 419	$	5, 587, 316
Staff training expense		32, 003		98, 534
Postage		593, 590		193, 962
Utilities		522, 770		265, 923
Office supplies		192, 134		196, 339
Printing expenses		102, 290		24, 502
Professional service fees		1, 936, 048		839, 371
Entertainment expenses		-		358, 924
Insurance expenses		275, 853		98, 235
Others		4, 262, 214		936, 594
Total	$	15, 831, 321	$	8, 599, 700

21. Income tax expense

(1) Components of income tax expense:

A. Income tax expense recognized in profit or loss :

Item	2022	2021/01/18 ~2021/12/31
Current tax:		
Income tax for current period	$ -	$ -
Adjustments for prior years	-	-
Subtotal	-	-
Deferred tax:		
Occurrence or reversal of temporary differences	-	-
Subtotal	-	-
Recorded income tax expense	$ -	$ -

B. Income tax expense (benefit) relating to other comprehensive income : None.

(2) Reconciliation from income before income tax to recorded income tax expense :

Item	2022	2021/01/18 ~2021/12/31
Loss before income tax	($ 50,740,461)	($ 18,293,670)
Tax calculated based on statutory tax rate	($ 10,148,092)	($ 3,658,734)
Adjustments:		
Tax-exempt income	-	-
Other income tax adjustments	151,950	76,976
Operating loss carryover	9,996,142	3,581,758
Recorded income tax expense	$ -	$ -

The applicable tax rate of the Branch is 20%.

(3) Unrecorded deferred tax assets :

Item	December 31, 2022	December 31, 2021
Operating loss carryover	$ 13,576,138	$ 3,581,758

22. Other comprehensive income

Item	2022 Arising in current period	2022 Income tax (expense) profit	2022 Net of the tax
Gains (losses) on valuation of debt investments at FVTOCI	($ 1,883,122)	$ -	($ 1,883,122)

Item	2021/01/18 ~ 2021/12/31		
	Arising in current period	Income tax (expense) profit	Net of the tax
Gains (losses) on valuation of debt investments at FVTOCI	$ -	$ -	$ -

7. Related Party Transactions :

1. Name and relationship of related parties with the Branch

Name of Related Party	Relationship with the Branch
PT Bank Rakyat Indonesia (Persero) Tbk	Headquarter

2. Significant transactions with related parties :

(1) Interbank deposits

Name of Related Party	December 31, 2022	December 31, 2021
PT Bank Rakyat Indonesia (Persero) Tbk	$ 2, 150, 778	$ -

8. Pledged Assets: None

9. Significant Contingent Liabilities and Unrecognized Contract Commitments: None

10. Significant Disaster Losses: None

11. Significant Subsequent Events: None

12. Others:

1. The management considers the book value of the Branch's financial assets and financial liabilities not measured at fair value on December 31, 2022 and 2021 were closed to their fair value.

2. The methods and assumptions used for estimating fair value of financial instruments：

(1) The fair value of short-term financial instruments is estimated using the book value on the balance sheet. Therefore, such instruments have fairly short due dates and its book value should form a reasonable basis for fair value. This method is applied to cash and cash equivalents, due from the Central Bank and interbank lending, deposits of the Central Bank and bank peers, receivables (payables) and guarantee deposits paid (received), etc.

(2) The fair value of investments in financial instruments at FVTPL and debt instruments at fair value through other comprehensive income is based on quoted market prices in active markets, if available. If no market price is available, the fair

value is estimated using valuation techniques. The estimates and assumptions applied in the branch's valuation method are consistent with the information of estimates and assumptions used by market participants in the pricing of financial instruments. The fair values of government bonds and treasury bills are based on the reference prices of the Taipei exchange, Republic of China. Transferable time certificates of deposit are valued at the balance sheet date by discounting the maturity amount at interest rates.

(3) Since the principals of discounting and lending, deposits and fund transfers received are interest-bearing financial instruments, whose fair value are estimated using the present value of projected future cash flows, and market interest rates are used as the discount rates, the book value is equivalent to the fair value.

3. Level of fair value level for financial instruments

(1) Definition of the three fair-value levels for the Branch's financial instruments

Level 1

Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Unobservable inputs for the asset or liability. Fair value measurement using un-observable inputs or using observable inputs after material adjustments according to parameters of un-observable inputs (unobservable input, e.g., option pricing models that use historical volatility ; historical volatility is not representative of the expectations of market participants as a whole regarding future volatility). As of December 31, 2022, the Branch did not hold any Level 3 financial assets.

(2) Fair value hierarchy information of the Branch：

	December 31, 2022			
Item	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at FVTOCI	$ 737, 445, 950	$ -	$ -	$ 737, 445, 950

	December 31, 2021			
Item	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at FVTOCI	$ -	$ -	$ -	$ -

The branch has no transfer between Level 1 and Level 2 fair value measurement in 2022 and 2021.

4. Categories of financial instruments

Carrying value of the Branch's financial assets and financial liabilities on December 31, 2022 and 2021：

Financial assets	December 31, 2022	December 31, 2021
Financial assets measured at amortized cost		
Cash and cash equivalents	$ 7, 928, 950	$ 228, 444, 590
Due from the Central Bank and interbank lending	3, 130, 837	100, 000
Receivables	1, 332, 757	-
Discounts and loans	300, 110, 338	-
Guarantee deposits paid (recorded as other assets)	1, 228, 492	1, 178, 552
Financial assets measured at FVTOCI	737, 445, 950	-
Financial liabilities		
Financial liabilities measured at amortized cost		
Payables	$ 162, 487	$ 11
Deposits and remittances	28, 917, 741	745, 660

5. Financial risk information

The operating activities of the Branch are subjected to various risks related to financial institutions, and rapid development of external, and internal environment of the bank also lead to increasing complicated business risks. The Branch establishes consolidated and systematic financial risk management, including credit risk, liquidity risk and market risk. According to relevant regulations, the Branch has established appropriate policies, procedures and internal controls for the abovementioned financial risk management. Important financial activities should be reviewed by the board of directors according to applicable regulations and internal control system.

The Branch was established in January 2021 and did not have material operating activities during this period. Therefore, there was no material financial risk after assessment.