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Independent Auditors' Report

To the Board of Directors of Bank of Taiwan:

Opinion

We have audited the financial statements of Bank of Taiwan (“the Bank”), which comprise the balance sheet as of December 31, 2023 and 2022, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the report of other auditors (please refer to Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 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 and Regulations Governing the Preparation of Financial Reports by Securities Firms.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants, Ruling No. 10802731571 issued by the Financial Supervisory Commission of the Republic of China 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 Account of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Emphasis of Matter

In accordance with the auditing regulations in Taiwan, the financial statements of the Bank are required to be audited by the Ministry of Audit (the “MoA”). The financial statement for the financial year ended December 31, 2022 has been audited and approved by the MoA. For further information, please see note 16(b). Our opinion is not modified in respect of this matter.



Other Matter

As stated in note 6(j) of the financial statements, we did not audit the financial statements of Hua Nan Financial Holdings Co., Ltd. and Tai Yi Real Estate Co., Ltd. of investments in associates accounted for using equity method of the Bank amounting to NT\$44,148,540 thousand and NT\$39,263,825 thousand as of December 31, 2023 and 2022, respectively, constituting 0.72% and 0.64% of the related total assets; nor the related shares of investment profit in associates accounted for using equity method of NT\$4,602,638 thousand and NT\$3,681,099 thousand for the years then ended, respectively, constituting 8.25% and 8.62% of the related net revenue. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts includes above, is based solely on the report of the other auditors.

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. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. The assessment of impairment of financial assets

Please refer to Note 4(k) “Impairment of assets” for related accounting policy, Note 5(c) “The evaluation of financial asset impairments” for the uncertainty of accounting assumptions and estimations, and Note 8 “Financial risk management ” for the details of evaluation of financial asset impairments.

Description of key audit matters

When assessing whether there is any indication that the financial assets other than measured at fair value through profit or loss may be impaired based on IFRS 9, the Bank relies on management for considering all kinds of observable data and using the expected credit loss model, including probability of default, loss of default, exposure at default and prospective economic factors, to calculate the impairment loss. The calculation process is complicated and involves the exercise of judgment. Eventually, the assumptions used may also affect the estimated amount significantly. Furthermore, the amount of financial assets which required impairment tests is material to the Bank as of December 31, 2023. Therefore, the assessment of impairment of financial assets has been identified as a key audit matter in our audit.

How the matter was addressed in our audit

Our principal audit procedures included (i) inspecting the internal guidelines of impairment assessment of credit and investment business, understanding the Bank's procedures of the assessment of impairment of financial assets, and testing related internal control procedures; (ii) performing analytical procedures; (iii) assessing the reasonableness of the Bank's assessment of impairment of financial assets and, if necessary, acquiring assistance from internal specialist; (iv) verifying the accuracy of loan loss provision based on “Regulations Governing the Procedures for Enterprises Engaging in Insurance to Evaluate Assets and Deal with Non performing/Non accrual Loans”; (v) assessing whether the impairment of financial assets is presented and disclosed fairly.



2. The valuation of financial instruments

Please refer to Note 4(e) “Financial instrument” for related accounting policy, Note 5(b) “The fair value valuation of non-active market or non-quoted financial instruments” for major sources of uncertainty for assumptions and estimation, and Note 7 “The fair value and fair value hierarchy of the financial instruments” for the details of valuation of financial instruments.

Description of key audit matters

The Bank holds the value of financial assets and liabilities, which shall calculated by a model are classified as level 2 and level 3 expect for which shall calculated by an observable for active market are classified as level 1. The parameters of inputs which often involve the exercise of judgment in valuation process. The valuation of financial instruments may be misstated due to the use difference of valuation techniques and assumptions. The amount of financial asset and liabilities the Bank hold as of December 31, 2023 were significant. Therefore, the valuation of financial instruments has been identified as a key audit matter in our audit.

How the matter was addressed in our audit

Our main audit procedures included (i) reviewing accounting policy about the fair value of financial instruments measurement and disclosure, and performing an assessment over the investment cycle of its initial recognition, subsequent measurement and disclosures on financial statement; (ii) for the financial instruments measured at fair value with active market, sampling test of prices are quoted in an active market; (iii) sampling to test whether the fair value of the financial instruments measured at fair value without an active market are appropriate by re-calculating and obtaining the quoted price from counter parties or independent third parties, as well as appointing our valuation specialists to assess the reasonableness of the models and parameters the Bank used when deemed necessary; (iv) assessing whether the disclosure of financial instruments in accordance with International Financial Reporting Standards.

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 Budget Law, Account Settlement Law, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, 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 members of 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 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements 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 Wu, Lin and Chen, Fu-Jen.

A handwritten signature of the KPMG firm, written in black ink, appearing as 'KPMG' in a stylized, cursive font.

KPMG

Taipei, Taiwan (Republic of China)

March 8, 2024

Notes to Readers

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

BANK OF TAIWAN
Balance Sheets
December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

		<u>December 31, 2023</u>		<u>December 31, 2022</u>				<u>December 31, 2023</u>		<u>December 31, 2022</u>	
Assets		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	Liabilities and Equity		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
11000	Cash and Cash Equivalents	\$ 116,062,610	2	152,030,846	2	Liabilities:					
11500	Placement With Central Bank and Call Loans to Banks	565,834,947	9	595,288,771	10	21000	Deposits of central bank and other banks	\$ 337,827,114	5	273,183,040	4
12000	Financial Assets Measured at Fair Value through Profit or Loss	370,501,347	6	287,624,682	5	21500	Due to the central bank and banks	3,531,075	-	253,840,625	4
12100	Financial Assets Measured at Fair Value through Other Comprehensive Income	1,358,202,266	22	1,138,542,757	18	22000	Financial Liabilities Measured at Fair Value through Profit or Loss	32,905,513	1	25,066,050	-
12200	Debt Investments Measured at Amortized Cost	291,174,762	5	276,063,085	4	22500	Bills and Bonds Sold under Repurchase Agreements	16,272,079	-	23,857,909	-
12300	Hedging Derivative Financial Assets, net	1,419	-	9,467	-	23000	Payables	54,344,157	1	47,314,847	1
13000	Receivables, net	61,482,665	1	55,465,656	1	23200	Current Income Tax Liabilities	3,560,943	-	1,448,666	-
13200	Current Income Tax Assets	24,203	-	167,560	-	23500	Deposits and Remittances	4,734,965,454	77	4,671,239,835	77
13500	Loans and Discounts, net	3,131,758,621	51	3,418,227,678	56	24000	Financial Bonds Payables	10,999,390	-	25,999,370	-
15000	Investments under Equity Method, net	45,475,276	1	40,822,662	1	25500	Other Financial Liabilities	1,415,804	-	548,381	-
15500	Other Financial Assets, net	24,129,434	-	27,441,000	1	25600	Provisions	499,308,467	8	432,695,316	7
18500	Property and Equipment, net	139,032,398	2	139,161,331	2	26000	Lease Liabilities	1,472,662	-	1,218,855	-
18600	Right-of-Use Assets, net	1,536,560	-	1,279,796	-	29300	Deferred Tax Liabilities	18,723,733	-	18,490,095	-
18700	Investment Property, net	15,238,207	-	15,238,207	-	29500	Other Liabilities	<u>7,521,068</u>	<u>-</u>	<u>8,322,370</u>	<u>-</u>
19000	Intangible Assets, net	1,296,020	-	1,133,286	-	Total liabilities		<u>5,722,847,459</u>	<u>92</u>	<u>5,783,225,359</u>	<u>93</u>
19300	Deferred Tax Assets	321,985	-	332,552	-	Equity attributable to owners of parent :					
19500	Other Assets, net	38,793,967	1	29,869,296	1	31101	Capital Stock	109,000,000	2	109,000,000	2
						31500	Capital Surplus	108,453,642	2	108,453,043	2
						Retained earnings:					
						32001	Legal Reserve	59,541,379	1	54,663,265	1
						32003	Special Reserve	56,843,137	1	49,933,409	1
						32005	Unappropriated Retained Earnings	<u>39,899,486</u>	<u>1</u>	<u>30,751,016</u>	<u>-</u>
								<u>156,284,002</u>	<u>3</u>	<u>135,347,690</u>	<u>2</u>
						32500	Other Equity	<u>64,281,584</u>	<u>1</u>	<u>42,672,540</u>	<u>1</u>
						Total equity		<u>438,019,228</u>	<u>8</u>	<u>395,473,273</u>	<u>7</u>
Total assets		<u>\$ 6,160,866,687</u>	<u>100</u>	<u>6,178,698,632</u>	<u>100</u>	Total liabilities and equity		<u>\$ 6,160,866,687</u>	<u>100</u>	<u>6,178,698,632</u>	<u>100</u>

BANK OF TAIWAN
Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		2023		2022		Change
		Amount	%	Amount	%	%
	Revenue and income:					
41000	Interest income	\$ 117,897,483	211	70,057,905	164	68
51000	Less:Interest expense	<u>79,732,994</u>	<u>143</u>	<u>34,836,467</u>	<u>82</u>	129
	Net interest income	38,164,489	68	35,221,438	82	8
	Non-interest income, net					
49100	Service fees ,net	3,622,316	6	3,965,227	9	(9)
49200	Gain (loss) on financial assets or liabilities measured at fair value through profit or loss	72,247,771	130	(61,355,261)	(144)	218
49310	Realized gains from financial assets measured at fair value through other comprehensive income	3,242,453	6	4,588,552	11	(29)
49450	Net gain from derecognition of financial assets measured at amortized cost	-	-	1,727	-	(100)
49600	Foreign exchange gain (loss)	4,583,114	8	16,235,244	38	(72)
49700	Gain on reversal (provision) of impairment loss on assets	(18,905)	-	(19,224)	-	2
49750	Share of profit (loss) of associates and joint ventures accounted for using equity method	4,366,002	8	3,636,317	9	20
49837	Net premium	(8,388,629)	(15)	(6,715,208)	(16)	(25)
49843	Sales income	535,033	1	507,814	1	5
48054	Subsidized income from government	9,060,440	16	9,207,821	22	(2)
49898	Excess preferential interest expenses	(6,277,905)	(11)	(5,810,891)	(14)	(8)
49871	Provisions for policyholders' premium	(66,371,429)	(119)	43,014,084	101	(254)
49899	Other miscellaneous income, net	<u>1,024,354</u>	<u>2</u>	<u>223,715</u>	<u>1</u>	358
	Net Revenue	<u>55,789,104</u>	<u>100</u>	<u>42,701,355</u>	<u>100</u>	31
58200	Bad debts expense, commitment and guarantee liability provision	<u>(2,177,689)</u>	<u>(4)</u>	<u>(624,714)</u>	<u>(1)</u>	249
	Expenses:					
58500	Employee benefits expenses	(14,577,048)	(26)	(13,914,268)	(33)	5
59000	Depreciation and amortization expenses	(2,120,517)	(4)	(1,941,456)	(5)	9
59500	Other general and administrative expenses	<u>(8,432,079)</u>	<u>(15)</u>	<u>(7,031,027)</u>	<u>(16)</u>	20
	Total Expenses	<u>(25,129,644)</u>	<u>(45)</u>	<u>(22,886,751)</u>	<u>(54)</u>	10
	Profit from continuing operations before tax	28,481,771	51	19,189,890	45	48
61003	Less: Income tax expenses	<u>4,662,642</u>	<u>8</u>	<u>2,144,072</u>	<u>5</u>	117
	Net profit	<u>23,819,129</u>	<u>43</u>	<u>17,045,818</u>	<u>40</u>	40
65000	Other comprehensive income:					
65200	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
65201	Gains (losses) on remeasurements of defined benefit plans	(516,728)	(1)	335,035	1	(254)
65205	Change in fair value of financial liability attributable to change in credit risk of liability	(27,629)	-	24,698	-	(212)
65204	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	16,382,522	29	(5,360,932)	(13)	406
65207	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	767,343	1	(433,776)	(1)	277
65220	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	-
	Components of other comprehensive income that will not be reclassified to profit or loss	<u>16,605,508</u>	<u>29</u>	<u>(5,434,975)</u>	<u>(13)</u>	406
65300	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
65301	Exchange differences on translation of foreign financial statements	(67,544)	-	1,684,083	4	(104)
65308	Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	4,251,446	8	(12,455,730)	(29)	134
65307	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	1,240,345	2	(4,402,402)	(10)	128
65320	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>3,528</u>	<u>-</u>	<u>(27,843)</u>	<u>-</u>	113
	Components of other comprehensive income that will be reclassified to profit or loss	<u>5,420,719</u>	<u>10</u>	<u>(15,146,206)</u>	<u>(35)</u>	136
65000	Other comprehensive income	<u>22,026,227</u>	<u>39</u>	<u>(20,581,181)</u>	<u>(48)</u>	207
	Total comprehensive income	<u>\$ 45,845,356</u>	<u>82</u>	<u>(3,535,363)</u>	<u>(8)</u>	1,397
	Basic earnings per share(In dollars)	<u>\$ 2.19</u>		<u>1.56</u>		

BANK OF TAIWAN

Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

							Other equity interest						
	Share capital		Retained earnings				Exchange	Unrealized gains	Change in fair	Gains (losses) on	Other		
	Ordinary	Capital surplus	Legal reserve	Special reserve	Undistributed	Total	differences on	financial assets	value of financial	(losses) on	comprehensive	Total	Total equity
	shares				earnings		translation of	measured at fair	liability	financial	income		
							foreign	value through	attributable to	instruments for	reclassified by		
							financial	other	change in credit	hedging	applying overlay		
							statements	comprehensive	risk of liability		approach		
								income					
Balance at January 1, 2022	\$ 109,000,000	108,453,043	50,631,691	44,559,358	27,079,618	122,270,667	(3,281,013)	65,697,429	(19,502)	4,099	65,889	62,466,902	402,190,612
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	4,031,574	-	(4,031,574)	-	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	5,375,432	(5,375,432)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(3,181,976)	(3,181,976)	-	-	-	-	-	-	(3,181,976)
Reversal of special reserve due to sale of land	-	-	-	(1,381)	1,381	-	-	-	-	-	-	-	-
Net income for the period	-	-	-	-	17,045,818	17,045,818	-	-	-	-	-	-	17,045,818
Other comprehensive income	-	-	-	-	496,815	496,815	2,405,606	(23,383,592)	24,698	3,081	(127,789)	(21,077,996)	(20,581,181)
Total comprehensive income	-	-	-	-	17,542,633	17,542,633	2,405,606	(23,383,592)	24,698	3,081	(127,789)	(21,077,996)	(3,535,363)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(1,283,634)	(1,283,634)	-	1,283,634	-	-	-	1,283,634	-
Balance at December 31, 2022	109,000,000	108,453,043	54,663,265	49,933,409	30,751,016	135,347,690	(875,407)	43,597,471	5,196	7,180	(61,900)	42,672,540	395,473,273
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	4,878,114	-	(4,878,114)	-	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	6,953,321	(6,953,321)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(3,300,000)	(3,300,000)	-	-	-	-	-	-	(3,300,000)
Reserval of special reserve due to sale of land	-	-	-	(43,593)	43,593	-	-	-	-	-	-	-	-
Changes in equity of associates and joint ventures accounted for using equity method	-	599	-	-	-	-	-	-	-	-	-	-	599
Net income for the period	-	-	-	-	23,819,129	23,819,129	-	-	-	-	-	-	23,819,129
Other comprehensive income	-	-	-	-	(540,570)	(540,570)	(137,014)	22,623,448	(27,629)	1,206	106,786	22,566,797	22,026,227
Total comprehensive income	-	-	-	-	23,278,559	23,278,559	(137,014)	22,623,448	(27,629)	1,206	106,786	22,566,797	45,845,356
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	957,753	957,753	-	(957,753)	-	-	-	(957,753)	-
Balance at December 31, 2023	\$ 109,000,000	108,453,642	59,541,379	56,843,137	39,899,486	156,284,002	(1,012,421)	65,263,166	(22,433)	8,386	44,886	64,281,584	438,019,228

BANK OF TAIWAN
Statements of Cash Flows
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	<u>2023</u>	<u>2022</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 28,481,771	19,189,890
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	1,734,194	1,604,427
Amortization expense	441,524	390,676
Expected credit loss	2,177,689	624,714
Interest expense	79,732,994	34,836,467
Interest income	(117,897,483)	(70,057,905)
Dividend income	(8,951,232)	(11,703,882)
Net change in other provisions	66,371,429	(43,014,084)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(4,366,002)	(3,636,317)
Loss on disposal of property and equipment	224,283	41,813
Impairment loss on financial assets	23,233	19,532
Reversal of impairment loss on non-financial assets	(4,328)	(308)
Total adjustments to reconcile profit	<u>28,218,305</u>	<u>(90,894,867)</u>
Changes in operating assets and liabilities:		
(Increase) decrease in due from the central bank and call loans to banks	(2,798,567)	104,372,390
(Increase) decrease in financial assets measured at fair value through profit or loss	(56,997,484)	56,352,746
Increase in financial assets measured at fair value through other comprehensive income	(109,290,600)	(61,943,578)
Increase in investments in debt instruments measured at amortised cost	(10,646,277)	(110,172,332)
Decrease (increase) in financial assets for hedging	8,048	(9,467)
Decrease in receivables	686,907	16,948,291
Decrease (increase) in discounts and loans	284,339,784	(478,333,564)
Decrease in other financial assets	3,311,566	2,718,160
(Increase) decrease in other assets	(9,517,265)	980,498
Increase (decrease) in deposits from the central bank and banks	64,644,074	(28,392,813)
Increase in financial liabilities measured at fair value through profit or loss	7,839,463	5,387,519
Decrease in financial liabilities for hedging	-	(16,241)
(Decrease) increase in notes and bonds issued under repurchase agreement	(7,585,830)	19,870,694
Decrease in payables	(14,679,462)	(12,052)
Increase in deposits and remittances	63,725,619	461,263,264
Increase (decrease) in provisions for employee benefits	202,705	(978,689)
Increase (decrease) in other liabilities	372,751	(308,224)
Total adjustments	<u>241,833,737</u>	<u>(103,168,265)</u>
Cash inflow (outflow) generated from operations	270,315,508	(83,978,375)
Interest received	111,179,161	63,266,717
Dividends received	10,659,226	6,998,649
Interest paid	(73,024,202)	(29,974,779)
Income taxes paid	(2,162,803)	(793,565)
Net Cash flows from (used in) operating activities	<u>316,966,890</u>	<u>(44,481,353)</u>
Cash flows from (used in) investing activities:		
Acquisition of property and equipment	(1,145,586)	(1,298,611)
Decrease (increase) in refundable deposits	792,139	(2,853,904)
Acquisition of intangible assets	(603,068)	(469,817)
Net cash flows used in investing activities	<u>(956,515)</u>	<u>(4,622,332)</u>
Cash flows from (used in) financing activities:		
(Decrease) increase in due to the central bank and banks	(250,309,550)	217,670,295
(Decrease) increase in guarantee deposits received	(1,174,053)	430,690
Payment of lease liabilities	(681,782)	(484,326)
Increase in other financial liabilities	867,423	125,165
Cash dividends paid	(3,500,000)	(3,300,000)
Net cash flows (used in) from financing activities	<u>(254,797,962)</u>	<u>214,441,824</u>
Effect of exchange rate changes on cash and cash equivalents	(138,555)	2,363,860
Net increase in cash and cash equivalents	61,073,858	167,701,999
Cash and cash equivalents at beginning of period	<u>1,002,925,390</u>	<u>835,223,391</u>
Cash and cash equivalents at end of period	<u><u>\$ 1,063,999,248</u></u>	<u><u>1,002,925,390</u></u>
Composition of cash and cash equivalents:		
Cash and cash equivalents reported in the statement of financial position	\$ 116,062,610	152,030,846
Due from the central bank and call loans to banks qualifying for cash and cash equivalents under the definition of IAS 7	286,140,799	318,411,878
Other items qualifying for cash and cash equivalents under the definition of IAS 7	661,795,839	532,482,666
Cash and cash equivalents at end of period	<u><u>\$ 1,063,999,248</u></u>	<u><u>1,002,925,390</u></u>

See accompanying notes to parent company only financial statements.