

Stock code: 5876  
Taiwan Stock Exchange

**The Shanghai Commercial & Savings  
Bank, Ltd.**

**Standalone Financial Statements for the  
Six Months Ended June 30, 2025 and 2024  
and Independent Auditors' Report**

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INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of The Shanghai Commercial & Savings Bank, Ltd.

***Opinion***

We have audited the accompanying balance sheets of The Shanghai Commercial & Savings Bank, Ltd. (the "Bank") as at June 30, 2025, December 31, 2024 and June 30, 2024, and the related statements of comprehensive income, of changes in equity and of cash flows for the six months ended June 30, 2025 and 2024, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at June 30, 2025, December 31, 2024 and June 30, 2024, and its financial performance and its cash flows for the six months ended June 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks and Regulations Governing the Preparation of Financial Reports by Securities Firm

***Basis for opinion***

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants, Jin-Guan-Yin-Fa-Zi Letter No.10802731571 and Standards on Auditing of Taiwan. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Bank in accordance with the Norm of Professional Ethics for Certified Public Accountant of Taiwan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Key audit matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the six months ended June 30, 2025. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matter for the Bank's financial statements of the current period is stated as follows:

## **Allowance for credit losses of discounts and loans**

### **Description**

The core business of the Bank is granting loans, which is significant to the accompanying financial statements for the current period. The impairment assessment of discounts and loans is conducted in accordance with International Financial Reporting Standards 9 (“IFRS 9”) ‘Financial instruments’ and relevant regulations of allowance for credit losses promulgated by competent authorities. Management evaluates the impairment of discounts and loans using the expected credit loss model, with assumptions made based on past events, current market conditions and forward-looking information, to assess whether there is significant increase of credit risk since initial recognition to measure allowance of credit losses. In addition, credit losses for credit-impaired loans are evaluated based on recoverable amounts. Please refer to Notes 4, 5, 14 and 38 of the financial statements for relevant information on impairment of discounts and loans. The evaluation of allowance for credit losses of discounts and loans involves significant judgments such as accounting estimates and management’s assumptions, and shall comply with relevant regulations and interpretations. The measurement results would impact the amount recognized directly. Thus, we have determined the allowance of credit losses of discounts and loans as the key audit matter.

### **How our audit addressed the matter**

We performed the following audit procedures on the key audit matter mentioned above:

1. Obtained an understanding and performed sample tests of internal controls as well as operation procedures related to management’s evaluation of credit losses;
2. Sampled and inspected the classification of ECL impairment stages;
3. Sampled and tested whether parameter assumptions adopted in the expected credit loss model including probability of default, loss given default and exposure at default are in accordance with existing policies;
4. Sampled and tested credit-impaired cases with material amounts which were assessed individually;
5. Assessed whether the allowance for credit losses of discounts and loans is in compliance with relevant regulations of the competent authorities.

## ***Responsibilities of management and those charged with governance for the financial statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks and 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 the audit committee, are responsible for overseeing the Bank’s financial reporting process.

### ***Auditors' responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of Taiwan 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 Taiwan, 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.

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

independence, and where applicable, related safeguards.

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

Puo-Ju Kuo  
For and on behalf of PricewaterhouseCoopers, Taiwan  
August 15, 2025

Wei-Tai Wu

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The accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than Taiwan. The standards, procedures and practices in Taiwan governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than Taiwan. Accordingly, the accompanying financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in Taiwan, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers, Taiwan cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

**THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.**  
**Balance Sheets**  
**June 30, 2025, December 31, 2024 and June 30, 2024**  
(Expressed in Thousands of New Taiwan Dollars)

Codes	ASSETS	June 30, 2025		December 31, 2024		June 30, 2024	
		Amount	%	Amount	%	Amount	%
11000	Cash and cash equivalents (Note 6)	\$ 21,937,774	1	\$ 21,213,339	1	\$ 23,653,501	2
11500	Due from the Central Bank and call loans to banks (Note 7)	83,748,562	5	87,192,232	5	78,471,657	5
12000	Financial assets measured at fair value through profit or loss (Note 8)	4,992,834	-	2,582,689	-	3,860,181	-
12100	Financial assets measured at fair value through other comprehensive income (Notes 9 and 11)	237,822,271	15	250,415,803	16	258,181,778	16
12200	Investments in debt instruments measured at amortized cost (Notes 10 and 11)	200,916,485	13	214,376,343	13	194,898,679	12
12500	Securities purchased under resell agreements (Note 12)	17,213,801	1	8,408,560	1	12,680,454	1
13000	Receivables, net (Notes 13)	11,733,733	1	10,749,984	1	13,756,750	1
13500	Discounts and loans, net (Notes 14)	877,602,810	56	887,519,906	55	868,197,714	55
15000	Investments under the equity method, net (Note 15)	94,300,228	6	101,293,536	6	96,770,194	6
15500	Other financial assets, net (Note 16)	5,686	-	1,872	-	7,880	-
18500	Properties, net (Note 17)	15,513,231	1	15,230,318	1	14,947,502	1
18600	Right-of-use assets, net (Note 18)	764,963	-	757,738	-	830,685	-
19000	Intangible assets, net (Note 19)	285,607	-	323,476	-	363,636	-
19300	Deferred income tax assets, net (Note 32)	1,339,636	-	1,343,887	-	1,958,710	-
19500	Other assets, net (Note 20 and 29)	11,994,188	1	9,853,351	1	9,718,840	1
10000	Total assets	<u>\$ 1,580,171,809</u>	<u>100</u>	<u>\$ 1,611,263,034</u>	<u>100</u>	<u>\$ 1,578,298,161</u>	<u>100</u>
<b>Codes</b>	<b>LIABILITIES AND EQUITY</b>						
21000	Deposits from the central bank and other banks (Note 21)	\$ 19,194,513	1	\$ 21,140,910	1	\$ 12,497,761	1
22000	Financial liabilities measured at fair value through profit or loss (Note 8)	4,012,344	-	3,728,563	-	5,608,928	-
22500	Securities sold under repurchase agreements (Note 22)	3,955,500	-	4,783,153	-	7,929,084	1
23000	Payables (Notes 23)	36,831,664	2	26,257,828	2	38,013,625	2
23200	Current income tax liabilities (Notes 32)	999,669	-	382,599	-	1,323,427	-
23500	Deposits and remittances (Notes 24)	1,260,020,097	80	1,286,587,580	80	1,250,953,046	79
24000	Bank debentures (Note 25)	47,320,000	3	48,220,000	3	52,270,000	3
25500	Other financial liabilities (Note 26)	9,604,342	1	8,626,096	1	7,419,452	1
25600	Provisions (Note 27)	1,686,987	-	1,661,634	-	1,730,216	-
26000	Lease liabilities (Note 18)	775,903	-	769,855	-	842,852	-
29300	Deferred income tax liabilities (Notes 32)	7,087,405	1	9,711,633	1	10,590,358	1
29500	Other liabilities (Notes 28)	1,371,993	-	1,464,520	-	1,890,923	-
20000	Total liabilities	<u>\$ 1,392,860,417</u>	<u>88</u>	<u>\$ 1,413,334,371</u>	<u>88</u>	<u>\$ 1,391,069,672</u>	<u>88</u>
	Equity (Note 30)						
	Share capital						
31101	Ordinary shares	48,616,031	3	48,616,031	3	48,616,031	3
31500	Capital surplus	27,705,927	2	27,705,927	2	27,548,445	2
	Retained earnings						
32001	Legal reserve	68,680,295	4	64,476,033	4	64,476,033	4
32003	Special reserve	7,669,374	1	7,669,374	1	7,669,374	1
32005	Unappropriated earnings	30,569,969	2	39,833,861	2	31,921,988	2
32000	Total retained earnings	106,919,638	7	111,979,268	7	104,067,395	7
32500	Other equity	4,152,940	-	9,710,581	-	7,079,762	-
32600	Treasury shares	(83,144)	-	(83,144)	-	(83,144)	-
30000	Total equity	<u>187,311,392</u>	<u>12</u>	<u>197,928,663</u>	<u>12</u>	<u>187,228,489</u>	<u>12</u>
	Total liabilities and equity	<u>\$ 1,580,171,809</u>	<u>100</u>	<u>\$ 1,611,263,034</u>	<u>100</u>	<u>\$ 1,578,298,161</u>	<u>100</u>

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

**THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.**  
**Statements of Comprehensive Income**  
**For the six months ended June 30, 2025 and 2024**  
(Expressed in Thousands of New Taiwan Dollars, except Earnings Per Share)

Codes	For the Six Months Ended June 30			
	2025		2024	
	Amount	%	Amount	%
41000 Interest income	\$ 18,714,172	128	\$ 20,109,845	147
51000 Interest expenses	(10,339,091 )	(71 )	(10,341,406 )	(76 )
49010 Net interest income (Notes 31)	8,375,081	57	9,768,439	71
Non-interest income				
49100 Service fee income, net (Note 31)	2,562,541	18	2,361,035	17
49200 Gain (loss) on financial assets and liabilities measured at fair value through profit or loss (Note 31)	587,358	4	(3,400,853 )	(25 )
49310 Realized gain on financial assets measured at fair value through other comprehensive income (Note 31)	1,546,921	11	1,319,920	10
49450 Gain on financial assets measured at amortized cost	68,116	-	50,649	1
49600 Foreign exchange gain (loss), net	(303,392 )	(2 )	3,184,143	23
49700 Impairment gain on assets (Note 11 and 15)	11,396	-	39,230	-
49750 Proportionate share of profit of associates under the equity method (Note 31)	1,724,380	12	369,364	3
49800 Other non-interest income, net (Note 31)	43,355	-	13,677	-
49020 Total non-interest income	6,240,675	43	3,937,165	29
4xxxx Consolidated net revenue	14,615,756	100	13,705,604	100
58200 Provisions for bad-debt expense, commitment and guarantee liability (Note 14)	(904,315 )	(6 )	(1,700,000 )	(12 )
Operating expenses				
58500 Employee benefits (Notes 31)	(2,766,521 )	(19 )	(2,703,714 )	(20 )
59000 Depreciation and amortization (Note 31)	(466,739 )	(3 )	(493,292 )	(3 )
59500 Other general and administrative (Note 31)	(1,672,435 )	(12 )	(1,735,653 )	(13 )
58400 Total operating expenses	(4,905,695 )	(34 )	(4,878,659 )	(36 )
61001 Profit before income tax	8,805,746	60	7,126,945	52
61005 Income tax expense (Note 32)	(1,001,671 )	(7 )	(1,324,084 )	(10 )
64000 Consolidated net income	\$ 7,804,075	53	\$ 5,802,861	42
Other comprehensive income (loss)				
Items that will not be reclassified subsequently to profit or loss:				
65204 Gain (loss) on investments in equity instruments measured at fair value through other comprehensive income (Note 9)	\$ (4,356,455 )	(30 )	\$ 2,444,443	18
65205 Financial liabilities designated at FVTPL which the amount of change derived from credit risk (Note 8)	(45 )	-	(217 )	-
65207 Proportionate share of other comprehensive income of associates under the equity method	1,733,089	12	1,208,909	9
65220 Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 32)	(46,317 )	-	(13,528 )	-
65200 Subtotal of items that will not be reclassified subsequently to profit or loss	(2,699,728 )	(18 )	3,639,607	27
Items that may be reclassified subsequently to profit or loss:				
65301 Exchange differences on translating foreign operations	(11,700,053 )	(80 )	5,056,755	37
65307 Share of the other comprehensive income of associates accounted for using the equity method	330,136	2	649,463	5
65309 Gain (loss) on debt instruments measured at fair value through other comprehensive income (Note 9)	2,366,318	16	(1,689,677 )	(13 )
65310 Loss allowance for debt instruments measured at fair value through other comprehensive income (Note 11)	(10,070 )	-	(34,437 )	-
65320 Income tax relating to items that may be reclassified subsequently to profit or loss (Note 32)	2,012,937	14	(762,241 )	(6 )
65300 Subtotal of items that may be reclassified subsequently to profit or loss	(7,000,732 )	(48 )	3,219,863	23
65000 Other comprehensive income for the period, net of income tax	\$ (9,670,460 )	(66 )	\$ 6,859,470	50
66000 Total comprehensive income for the period	\$ (1,866,385 )	(13 )	\$ 12,662,331	92
Earnings per share (Note 33)				
67500 Basic	\$ 1.61		\$ 1.20	
67700 Diluted	\$ 1.61		\$ 1.20	

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



**THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.**  
**Statements of Changes in Equity**  
**For the six months ended June 30, 2025 and 2024**  
(Expressed in Thousands of New Taiwan Dollars, except Earnings Per Share)

		Share Capital		Retained Earnings (Note 30)			Other Equity				
		Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Change in Financial Assets at FVTOCI	Change in Credit Risk From Financial Liabilities Designated at FVTPL	Treasury Shares	Total Equity
A1	Balance on January 1, 2024	\$ 48,616,031	\$ 27,548,445	\$ 64,476,033	\$ 13,252,879	\$ 28,987,035	\$ (421,095 )	\$ 945,607	\$ (4,147 )	\$ (83,144 )	\$ 183,317,044
D1	Net profit for the six months ended June 30, 2024	-	-	-	-	5,802,861	-	-	-	-	5,802,861
D3	Other comprehensive income (loss) for the six months ended June 30, 2024, net of income tax	-	-	-	-	2,234	3,986,951	2,870,502	(217 )	-	6,859,470
D5	Total comprehensive income (loss) for the six months ended June 30, 2024	-	-	-	-	5,805,095	3,986,951	2,870,502	(217 )	-	12,662,331
Appropriation of 2023 earnings											
B3	Special reserve	-	-	-	(5,583,505 )	5,583,505	-	-	-	-	-
B5	Cash dividends	-	-	-	-	(8,750,886 )	-	-	-	-	(8,750,886 )
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	297,239	-	(297,239 )	-	-	-
Z1	Balance on June 30, 2024	\$ 48,616,031	\$ 27,548,445	\$ 64,476,033	\$ 7,669,374	\$ 31,921,988	\$ 3,565,256	\$ 3,518,870	\$ (4,364 )	\$ (83,144 )	\$ 187,228,489
A1	Balance on January 1, 2025	\$ 48,616,031	\$ 27,705,927	\$ 64,476,033	\$ 7,669,374	\$ 39,833,861	\$ 4,970,909	\$ 4,740,687	\$ (1,015 )	\$ (83,144 )	\$ 197,928,663
D1	Net profit for the six months ended June 30, 2025	-	-	-	-	7,804,075	-	-	-	-	7,804,075
D3	Other comprehensive income (loss) for the six months ended June 30, 2025, net of income tax	-	-	-	-	(625 )	(10,203,823 )	534,033	(45 )	-	(9,670,460 )
D5	Total comprehensive income (loss) for the six months ended June 30, 2025	-	-	-	-	7,803,450	(10,203,823 )	534,033	(45 )	-	(1,866,385 )
Appropriation of 2024 earnings											
B3	Special reserve	-	-	4,204,262	-	(4,204,262 )	-	-	-	-	-
B5	Cash dividends	-	-	-	-	(8,750,886 )	-	-	-	-	(8,750,886 )
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	(4,112,194 )	-	4,112,194	-	-	-
Z1	Balance on June 30, 2025	\$ 48,616,031	\$ 27,705,927	\$ 68,680,295	\$ 7,669,374	\$ 30,569,969	\$ (5,232,914 )	\$ 9,386,914	\$ (1,060 )	\$ (83,144 )	\$ 187,311,392

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

**THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.**  
**Statements of Cash Flows**  
**For the six months ended June 30, 2025 and 2024**  
(Expressed in Thousands of New Taiwan Dollars)

Codes		For the Six Months Ended June 30	
		2025	2024
	<u>Cash flows from operating activities</u>		
A00010	Net profit before income tax	\$ 8,805,746	\$ 7,126,945
A20010	Adjustments to reconcile net profit to net cash provided by operating activities		
A20100	Depreciation expenses	351,028	301,344
A20200	Amortization expenses	115,711	137,948
A20300	Provisions for bad debt expense, commitment and guarantee liability	904,315	1,700,000
A20400	Gain (loss) on financial assets and liabilities at fair value through profit or loss	(558,388 )	1,605,214
A20900	Interest expenses	10,339,091	10,341,406
A21200	Interest revenue	(18,714,172 )	(20,109,845 )
A21300	Dividend income	(1,376,195 )	(1,060,794 )
A22300	Proportionate share of profit of subsidiaries	(1,724,380 )	(369,364 )
A22500	Loss on disposal of properties and equipment, net	2,443	350
A23500	Reversal of financial asset impairment	(11,396 )	(39,230 )
A29900	Others	191,880	57,014
A40000	Changes in operating assets and liabilities		
A41110	Due from the central bank and call loans to banks	(7,255,514 )	(28,429,564 )
A41120	Financial assets measured at fair value through profit or loss	(3,543,539 )	(1,974,584 )
A41123	Financial assets measured at fair value through other comprehensive income	10,624,259	(27,255,837 )
A41125	Investment in debt instruments measured at amortized cost	13,462,185	42,348,344
A41150	Receivables	(1,916,552 )	(3,461,729 )
A41160	Discounts and loans	9,120,044	(3,821,774 )
A41190	Other financial assets	(3,984 )	(4,428 )
A41990	Other assets	(2,162,932 )	3,775,430
A42110	Deposits from the central bank and other banks	(1,946,397 )	(1,728,445 )
A42120	Financial liabilities at fair value through profit or loss	1,975,518	(518,405 )
A42140	Securities sold under repurchase agreements	(827,653 )	7,337,795
A42150	Payables	1,072,708	1,107,330
A42160	Deposits and remittances	(26,567,483 )	(23,608,648 )
A42170	Other financial liabilities	978,246	860,179
A42180	Employee benefit provisions	15,000	15,000
A42990	Other liabilities	(92,852 )	940,361
A33000	Cash from (used in) operations	(8,743,263 )	(34,727,987 )
A33100	Interest received	19,550,477	20,396,147
A33200	Dividends received	1,378,195	1,062,594
A33300	Interest paid	(9,583,357 )	(9,597,157 )
A33500	Income tax paid	(993,840 )	(1,420,282 )
AAAA	Net cash from (used in) operating activities	<u>1,608,212</u>	<u>(24,286,685 )</u>

(Continued)

**THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.**  
**Statements of Cash Flows**  
**For the six months ended June 30, 2025 and 2024**  
(Expressed in Thousands of New Taiwan Dollars)

<u>Codes</u>		<b>For the Six Months Ended June 30</b>	
		<b>2025</b>	<b>2024</b>
	<u>Cash flows from investing activities</u>		
B02700	Acquisition of properties	\$ (477,382 )	\$ (762,840 )
B02800	Proceeds from disposal of properties	-	741
B04500	Acquisition of intangible assets	(78,340 )	(55,872 )
BBBB	Net cash from (used in) investing activities	(555,722 )	(817,971 )
	<u>Cash flows from financing activities</u>		
C01400	Proceeds from issuance of bank debentures	2,100,000	2,500,000
C01500	Payments for bank debentures	(3,000,000 )	(8,300,000 )
C04020	Payments for principal portion of lease liabilities	(167,276 )	(167,358 )
CCCC	Net cash from (used in) financing activities	(1,067,276 )	(5,967,358 )
DDDD	Effects of exchange rate changes on the balance of cash held in foreign currencies	(1,154,722 )	87,152
EEEE	Net increase (decrease) in cash and cash equivalents	(1,169,508 )	(30,984,862 )
E00100	Cash and cash equivalents at the beginning of the period	66,991,693	83,532,091
E00200	Cash and cash equivalents at the end of the period	\$ 65,822,185	\$ 52,547,229
<u>Codes</u>		<b>For the Six Months Ended June 30</b>	
		<b>2025</b>	<b>2024</b>
E00210	Cash and cash equivalents in balance sheets	\$ 21,937,774	\$ 23,653,501
E00220	Due from the Central Bank and call loans to banks which fall within the definition of cash and cash equivalents under IAS 7	26,670,610	16,213,274
E00230	Securities purchased under resale agreements which fall within the definition of cash and cash equivalents under IAS 7	17,213,801	12,680,454
E00200	Cash and cash equivalents in statements of cash flows	\$ 65,822,185	\$ 52,547,229

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

(Concluded)

# THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD

## Notes to Standalone Financial Statements

For the six months ended June 30, 2025 and 2024

(Expressed in thousands of New Taiwan Dollars, unless otherwise stated)

### 1. ORGANIZATION AND OPERATIONS

The Shanghai Commercial & Savings Bank(the “Bank”) is incorporated in Taiwan and engages in the commercial banking businesses under related laws and regulations. The shares of the Bank have been listed and traded on the Taiwan Stock Exchange since October 19, 2018.

The Bank has its head office in Taipei and 76 branches, including 4 foreign branches separately located in Wuxi China, Vietnam Dong Nai, Hong Kong and Singapore.

The standalone financial statements are presented in the Bank’s functional currency, the New Taiwan dollar.

### 2. AUTHORIZATION OF FINANCIAL STATEMENTS

On August 15, 2025, the financial statements were approved by the board of directors and issued afterward.

### 3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

3.1 Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) that came into effect as endorsed by the Financial Supervisory Commission (“FSC”).

New standards, interpretations and amendments endorsed by FSC and became effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective Date Announced by IASB
Amendments to IAS 21 「Lack of Exchangeability」	January 1, 2025

The Bank assesses the applicable amendments to the IFRSs approved and issued by the FSC will not result in significant changes to the Bank’s accounting policies.

3.2 Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Bank.

New Standards, Interpretations and Amendments	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 for the “Classification and measurement of financial instruments.”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Power Purchase Agreements”	January 1, 2026
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Initial application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
Annual improvements to IFRS Accounting Standards — Volume 11	January 1, 2026

As of the date the consolidated financial statements were authorized for issue, the Bank is continuously assessing the possible impact that the application of other standards and interpretations will have on the Bank's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

### 3.3 IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

<b>New Standards, Interpretations and Amendments</b>	<b>Effective Date Announced by IASB</b>
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
Amendments to IFRS 18 "The presentation and disclosure of financial statements"	January 1, 2027
Amendments to IFRS 19 "The subsidiaries without public accountability: disclosures"	January 1, 2027

As of the date the consolidated financial statements were authorized for issue, the Bank is continuously assessing the possible impact that the application of other standards and interpretations will have on the Bank's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 4.1 Statement of Compliance

These interim standalone financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks and the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### 4.2 Basis of Preparation

The standalone financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- 4.2.1 Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 4.2.2 Level 2 inputs are observable parameters other than quoted prices included within Level 1, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- 4.2.3 Level 3 inputs are unobservable inputs for an asset or liability.

When the Bank prepared the financial statements, its investments in subsidiaries and associates were accounted for using the equity method. To make the current loss and profit as well as the other comprehensive income and equity equal to the current loss and profit and the other comprehensive income and equity which are attributable to the owners of the Bank in the consolidated financial statements, "equity investments under the equity method", the "share of profit or loss of subsidiaries, associates and joint ventures", and the "share of the other comprehensive income of subsidiaries,

associates and joint ventures” were adjusted.

### 4.3 Other Significant Accounting Policies

Except for the following, the accounting policies applied in these financial statements are consistent with those applied in the financial statements for the year ended December 31, 2024.

#### 4.3.1 Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined annual pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

#### 4.3.2 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

#### 4.3.3 Financial instruments

4.3.3.1 Aside from the following instructions, please refer to Note 4.5 of the standalone financial statements for 2024.

##### 4.4.3.2 Impairment of financial instruments

The Bank recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including discounts and loans and accounts receivable), investments in debt instruments that are measured at FVTOCI, lease receivables, loan commitments, as well as contract assets at the estimated credit loss on each balance sheet date.

For such financial assets, the Bank recognizes lifetime expected credit losses (ECLs) when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Bank measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Bank recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of such a financial asset.

Under the guidelines of the “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans” issued by the Banking Bureau of the Financial Supervisory Commission, the credit accounts are categorized into five groups: Normal credit assets, assets that require special mention, substandard assets, doubtful assets and full-amount loss based on clients’ financial conditions. After assessing the value of the collateral, the Bank will assess the possibilities of recovery.

Under the above guidelines, in addition to the minimum standard allowance for all accounts, allowance is provided for accounts classified as normal (except government accounts), accounts with notice, accounts with warning, difficult accounts and uncollectible accounts at rates of 1%, 2%, 10%, 50%, and 100%, respectively.

According to the local statutes, the Group's allowances for bad debts and guarantee liabilities for the "acquisition of residential home repair loans and construction loans" and "category one credit assets (including short-term trade financing) due from PRC businesses" should be at least 1.5%. In addition, the minimum allowance for bad debts for SME loans handled in accordance with the "Regulations for the Central Bank's Handling of Bank Acceptance of SME Loans Affected by the Severe Special Contagious Pneumonia Epidemic" is 0.5%.

Debts that are determined to be uncollectible are written off after being reported to the board of directors for approval.

## 5. CRITICAL ACCOUNTING JUDGMENTS AND MAIN SOURCES OF UNCERTAINTY IN ESTIMATES AND ASSUMPTIONS

In the application of the Bank's accounting policies, the management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

### Estimates and assumptions of main sources of uncertainty

#### Estimated impairment of financial assets

Estimates of impairment on loans and receivables are based on management's assumptions about default rates and expected loss rates. The Bank considers historical experience, current market conditions and forward-looking information to make assumptions and select input values for impairment assessments. Refer to Note 39 for the important assumptions and input values used. If the actual cash flows in the future are less than expected, significant impairment losses may occur.

## 6. CASH AND CASH EQUIVALENTS

	June 30, 2025	December 31, 2024	June 30, 2024
Due from banks - foreign	\$ 10,800,476	\$ 6,969,079	\$ 9,267,216
Cash in hand and working fund	7,724,001	10,748,151	8,087,331
Due from banks - domestic	2,840,253	2,875,786	3,819,417
Checks for clearing	573,044	620,323	2,479,537
	<u>\$ 21,937,774</u>	<u>\$ 21,213,339</u>	<u>\$ 23,653,501</u>

For the reconciliation of the periods ended June 30, 2025 and 2024, please refer to the statements of cash flows. The reconciliation of the amounts of cash and cash equivalents reported in the statements of cash flows and balance sheets as of December 31, 2024 is shown below.

	<b>December 31, 2024</b>
Cash and cash equivalents in the balance sheets	\$ 21,213,339
Due from the Central Bank and call loans to banks which fall within the definition of cash and cash equivalents under IAS 7	37,369,794
Securities purchased under resale agreements which fall within the definition of cash and cash equivalents under IAS 7	8,408,560
Cash and cash equivalents balance on statements of cash flows	<u>\$ 66,991,693</u>

The Bank did not take any cash and cash equivalents as pledged assets.

## 7. DUE FROM THE CENTRAL BANK AND CALL LOANS TO BANKS, NET

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Deposit reserves - II	\$ 34,624,845	\$ 34,566,139	\$ 31,351,822
Call loans to banks	32,650,651	36,132,262	34,652,361
Deposit reserves - I	16,288,154	16,291,208	12,264,771
Deposit reserves - foreign currency	184,912	202,623	202,703
	<u>\$ 83,748,562</u>	<u>\$ 87,192,232</u>	<u>\$ 78,471,657</u>

Deposit reserves are statutory reserves and determined monthly at prescribed rates based on average balances of customers' deposits. The entire balance of deposit reserve - II is subject to withdrawal restrictions while no restrictions are placed on other deposit reserves.

## 8. FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
<b>Financial assets at fair value through profit or loss</b>			
<b>Financial assets mandatorily classified as at FVTPL</b>			
Financial bonds	\$ 1,216,312	\$ 539,158	\$ 81,234
Corporate bonds	1,170,496	156,723	1,389,790
Currency swap contract	1,108,958	525,722	39,416
Futures contracts	681,611	543,385	431,815
Shares	372,635	-	297,981
Option contracts	285,592	98,537	127,601
Forward contracts	95,660	679,882	1,417,755
Interest rate swap contracts	44,425	39,282	16,789
Government bonds	17,145	-	57,800
	<u>\$ 4,992,834</u>	<u>\$ 2,582,689</u>	<u>\$ 3,860,181</u>
<b>Financial liabilities at fair value through profit or loss</b>			
<b>Held-for-trading financial liabilities</b>			
Currency swap contract	\$ 1,128,359	\$ 90,412	\$ 1,396,319
Interest rate swap contracts	340,107	464,829	300,855
Option contracts	253,874	106,400	91,366
Forward contracts	94,519	628,842	1,324,567
Futures	11,860	17	516
	<u>1,828,719</u>	<u>1,290,500</u>	<u>3,113,623</u>
<b>Financial liabilities designated at FVTPL</b>			
Bank debentures	2,183,625	2,438,063	2,495,305
	<u>\$ 4,012,344</u>	<u>\$ 3,728,563</u>	<u>\$ 5,608,928</u>



The Bank engages in derivative transactions mainly to accommodate customers' needs and manage its exposure positions.

The financial assets and liabilities' at FVTPL contract (nominal) amounts of derivative transactions were as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Currency swap contract	\$ 95,031,255	\$ 62,208,862	\$ 79,812,617
Option contracts	42,642,351	14,344,143	22,559,828
Forward contracts	16,990,231	67,851,920	100,279,111
Interest rate swap contracts	10,238,792	12,028,742	11,080,667
Future contracts	1,011,403	33,729	237,760

Information for financial liabilities designated by the Bank at FVTPL is as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
The difference between the fair value and the maturity value			
— Fair value	\$ 2,183,625	\$ 2,438,063	\$ 2,495,305
— Maturity value	2,249,185	2,431,170	2,543,756
	<u>\$ (65,560 )</u>	<u>\$ 6,893</u>	<u>\$ (48,451 )</u>

	<u>Effects of changes in credit risk</u>
Current amount of change	
From January1, 2025 to June 30, 2025	\$ (45 )
From January1, 2024 to June 30, 2024	<u>\$ (217 )</u>
Cumulative amount of change	
Up to June 30, 2025	\$ (1,060 )
Up to December 31, 2024	<u>\$ (1,015 )</u>
Up to June 30, 2024	<u>\$ (4,364 )</u>

The financial liabilities designated by the Bank at FVTPL were the second issuance of unsecured debentures amounting to US\$70,000 thousand with a 30-year maturity and interest of 0% rate on October 29, 2018. On the expiration of 5 years and every subsequent year, the Bank may exercise the option at the agreed redemption price. If the option is not exercised during the period, the payment will be made on the expiration date. The second issuance of unsecured debentures amounting to US\$6,400 thousand with a 3-year maturity and fixed interest rate of 0% on November 1, 2023. The second to third years are combined interest rates, using simple interest calculation, with interest paid once every quarter and repayment of principals at maturity. The first issuance of unsecured debentures amounting to US\$10,750 thousand with a 2-year maturity on March 27, 2024 with a fixed rate of 5.5% of the first year and combined interest rates of the second year. The interest paid once every quarter and repayment of principals at maturity.

The Bank entered an interest rate swap contract to reduce the interest rate risk of the aforementioned financial bonds. The interest rate swap contract was measured at fair value and the fair value changes were included in profit or loss. The Bank designated the aforementioned financial bonds as financial liabilities measured at FVTPL for consistency.

The amount of change in the fair value of financial bonds attributable to the changes in the fair value of financial liabilities and the combination of the fair value of financial assets is calculated as the difference between the changes in the fair value of market risk factor. The amount of change in fair value attributable to the market risk factor is calculated using the benchmark yield curve at the balance sheet date. Fair value of financial bonds is based on the benchmark yield curve on the balance sheet date and the estimated credit risk spread by the creditor's interest rate quote on the similar maturity date of the combined company, such that the estimated future cash flow is discounted.

## 9. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVTOCI)

	June 30, 2025	December 31, 2024	June 30, 2024
Investments in equity instruments measured at FVTOCI			
Shares	\$ 31,288,121	\$ 31,007,163	\$ 34,441,425
Investments in debt instruments measured at FVTOCI			
Corporate bonds	93,896,393	101,988,806	102,958,550
Bank debentures	64,764,706	68,517,242	69,800,172
Government bonds	39,322,255	40,249,434	40,515,981
Commercial papers	7,485,573	7,469,697	9,291,506
Asset-backed securities	1,065,223	1,183,461	1,174,144
	<u>206,534,150</u>	<u>219,408,640</u>	<u>223,740,353</u>
	<u>\$ 237,822,271</u>	<u>\$ 250,415,803</u>	<u>\$ 258,181,778</u>

Some of the Bank's equity instruments are not held for trading purposes. Therefore, the designated investments are selected to be measured at FVTOCI.

For the information on credit risk management and impairment assessment of investments in debt instruments at FVTOCI, refer to Note 11.

Parts of the aforementioned financial assets at FVTOCI were sold under repurchase agreements as of June 30, 2025, December 31, 2024 and June 30, 2024. The par values of bonds and commercial papers sold under repurchase agreements were \$3,974,350 thousand, \$4,778,000 thousand and \$7,925,300 thousand, respectively.

Parts of equity instruments were sold due to the adjustment of investment position in equity instruments. The fair value of the equity investments sold were \$ 28,271,062 thousand and \$20,133,616 thousand, and the resulted in cumulative losses (gains) on disposal amounting to \$ 4,112,194 thousand and \$297,239 thousand, respectively, for the six-month period ended June 30, 2025 and 2024.

For the information on financial assets at FVTOCI were as follows:

	For the Six Months Ended June 30	
	2025	2024
<b>Equity instruments at fair value through other comprehensive income (loss)</b>		
Fair value change recognized in other comprehensive income	\$ (4,356,455 )	\$ 2,444,443
Gain (loss) reclassified to retained earnings due to derecognition	\$ (4,112,194 )	\$ 297,239
Dividend income recognized in profit or loss		
Held at end of period	\$ 553,041	\$ 522,936
Derecognized during the period	820,996	535,062
	<u>\$ 1,374,037</u>	<u>\$ 1,057,998</u>
<b>Debt instruments at fair value through other comprehensive income (loss)</b>		
Fair value change recognized in other comprehensive income	\$ 2,366,318	\$ (1,689,677 )
Gain reclassified to profit due to derecognition	172,884	261,922
	<u>\$ 2,539,202</u>	<u>\$ (1,427,755 )</u>
Reclassified due to reversal of impairment recognition	\$ (9,934 )	\$ (38,401 )
Exchange rate and other changes	(136 )	3,964
	<u>\$ (10,070 )</u>	<u>\$ (34,437 )</u>
Interest income recognized in profit or loss	<u>\$ 3,621,266</u>	<u>\$ 3,790,549</u>

For the information on financial assets pledged at FVTOCI, refer to Note 35.

## 10. INVESTMENTS IN DEBT INSTRUMENTS MEASURED AT AMORTIZED COST

	June 30, 2025	December 31, 2024	June 30, 2024
Negotiable certificates of deposit	\$ 183,985,000	\$ 194,485,000	\$ 164,800,000
Corporate bonds	5,369,306	5,194,767	5,669,851
Government bonds	4,696,159	5,016,030	4,574,589
Bank debentures	3,384,725	9,405,126	13,685,737
Treasury bonds	2,728,787	-	5,497,768
Asset-backed securities	755,165	279,510	675,282
	200,919,142	214,380,433	194,903,227
Less: Loss allowance	(2,657 )	(4,090 )	(4,548 )
	<u>\$ 200,916,485</u>	<u>\$ 214,376,343</u>	<u>\$ 194,898,679</u>

Amounts recognized in profit or loss in relation to financial assets at amortized cost are listed below:

	For the Six Months Ended June 30	
	2025	2024
Interest income	\$ 1,110,750	\$ 1,432,232
Gain on disposal	68,116	50,649
Gain on impairment	1,462	829
	<u>\$ 1,180,328</u>	<u>\$ 1,483,710</u>

For the six months ended June 30, 2025 and 2024, the Bank disposed of part of its investments in debt instruments for risk management purposes, with a disposal gain of \$68,116 thousand and \$50,649 thousand.

For the information on the credit risk management and impairment of investment in debt instruments measured at amortized cost, refer to Note 11.

For the information on related financial assets at amortized cost pledged as collateral, refer to Note 35.

## 11. CREDIT RISK MANAGEMENT OF INVESTMENTS IN DEBT INSTRUMENTS

The investments in debt instruments were classified as financial assets measured at FVTOCI and financial assets at amortized cost.

June 30, 2025	At FVTOCI	At Amortized Cost	Total
Total carrying amount	\$ 209,639,365	\$ 200,919,142	\$ 410,558,507
Loss allowance	(77,170 )	(2,657 )	(79,827 )
Amortized cost	209,562,195	<u>\$ 200,916,485</u>	410,478,680
Fair value adjustment	(3,028,045 )		(3,028,045 )
	<u>\$ 206,534,150</u>		<u>\$ 407,450,635</u>
December 31, 2024	At FVTOCI	At Amortized Cost	Total
Total carrying amount	\$ 224,880,174	\$ 214,380,433	\$ 439,260,607
Loss allowance	(87,240 )	(4,090 )	(91,330 )
Amortized cost	224,792,934	<u>\$ 214,376,343</u>	439,169,277
Fair value adjustment	(5,384,294 )		(5,384,294 )
	<u>\$ 219,408,640</u>		<u>\$ 433,784,983</u>

<b>June 30, 2024</b>	<b>At FVTOCI</b>	<b>At Amortized Cost</b>	<b>Total</b>
Total carrying amount	\$ 230,216,581	\$ 194,903,227	\$ 425,119,808
Loss allowance	(91,924 )	(4,548 )	(96,472 )
Amortized cost	230,124,657	\$ 194,898,679	425,023,336
Fair value adjustment	(6,384,304 )		(6,384,304 )
	<u>\$ 223,740,353</u>		<u>\$ 418,639,032</u>

The Bank implements a policy of investing in debt instruments with investment grade and have low credit risk for the purpose of impairment assessment. The Bank continues to track external rating information and monitor changes in credit risk of the investments of debt instruments and to review other information such as the bond yield curve and the debtor's material information to assess whether the credit risk of the debt instrument investments has increased significantly since the initial recognition.

The Bank considered the historical default loss rate provided by the independent rating agencies, the debtor's current financial status and the industry's forward-looking forecast to measure the 12-month expected credit loss or full-lifetime expected credit loss of the investments in debt instruments.

The Bank's current credit risk rating mechanism and the total carrying amount of each credit rating investment in debt instruments were as follows:

<b>Credit Rating</b>	<b>Definitions</b>	<b>June 30,2025</b>		
		<b>Expected Credit Loss Recognition Base</b>	<b>Expected Credit Loss Rate</b>	<b>Total Carrying Amount</b>
Stage 1	The debtor has a low credit risk and is fully capable of paying off contractual cash flows	12-month expected credit loss	0.000%~0.961%	\$ 410,253,316
Stage 2	Credit risk has increased significantly since the initial recognition	Expected credit loss during the period of existence (no credit impairment)	0.418%~2.507%	305,191

<b>Credit Rating</b>	<b>Definitions</b>	<b>December 31, 2024</b>		
		<b>Expected Credit Loss Recognition Base</b>	<b>Expected Credit Loss Rate</b>	<b>Total Carrying Amount</b>
Stage 1	The debtor has a low credit risk and is fully capable of paying off contractual cash flows	12-month expected credit loss	0.000%~0.961%	\$ 438,854,335
Stage 2	Credit risk has increased significantly since the initial recognition	Expected credit loss during the period of existence (no credit impairment)	0.418%~2.729%	406,272

<b>Credit Rating</b>	<b>Definitions</b>	<b>June 30, 2024</b>		
		<b>Expected Credit Loss Recognition Base</b>	<b>Expected Credit Loss Rate</b>	<b>Total Carrying Amount</b>
Stage 1	The debtor has a low credit risk and is fully capable of paying off contractual cash flows	12-month expected credit loss	0.000%~0.912%	\$ 424,293,652
Stage 2	Credit risk has increased significantly since the initial recognition	Expected credit loss during the period of existence (no credit impairment)	0.396%~2.970%	826,156

Information on changes in allowance for impairment loss under the credit risk rating assessment of investments in debt instruments at FVTOCI and at amortized cost is summarized as follows:

## Investments in debt instruments at FVTOCI

	Credit Risk Rating			Total
	Stage 1 (12-Month ECLs)	Stage 2 (Lifetime ECLs without impairment)	Stage 3 (Lifetime ECLs with impairment)	
Balance at January 1, 2025	\$ 80,064	\$ 7,716	\$ -	\$ 87,240
Purchase of new debt instruments	14,930	-	-	14,930
Derecognition	(16,621 )	(4,071 )	-	(20,692 )
Provisions (reversal)	(3,732 )	(440 )	-	(4,172 )
Exchange rate and other changes	(2,663 )	2,527	-	(136 )
Balance at June 30, 2025	<u>\$ 71,978</u>	<u>\$ 5,192</u>	<u>\$ -</u>	<u>\$ 77,170</u>

	Credit Risk Rating			Total
	Stage 1 (12-Month ECLs)	Stage 2 (Lifetime ECLs without impairment)	Stage 3 (Lifetime ECLs with impairment)	
Balance at January 1, 2024	\$ 77,981	\$ 10,691	\$ 37,689	\$ 126,361
Credit rating change - From 12-month ECLs to lifetime ECLs without impairment	(159 )	159	-	-
Purchase of new debt instruments	15,675	-	-	15,675
Derecognition	(15,837 )	(560 )	(43,960 )	(60,357 )
Provisions (reversal)	3,091	3,190	-	6,281
Exchange rate and other changes	(989 )	(1,318 )	6,271	3,964
Balance at June 30, 2024	<u>\$ 79,762</u>	<u>\$ 12,162</u>	<u>\$ -</u>	<u>\$ 91,924</u>

## Investments in debt instruments at amortized cost

	Credit Risk Rating		Total
	Stage 1 (12-Month ECLs)	Stage 2 (Lifetime ECLs without impairment)	
Balance at January 1, 2025	\$ 4,090	\$ -	\$ 4,090
Derecognition	(1,350 )	-	(1,350 )
Provisions (reversal)	(112 )	-	(112 )
Exchange rate and other changes	29	-	29
Balance at June 30, 2025	<u>\$ 2,657</u>	<u>\$ -</u>	<u>\$ 2,657</u>
Balance at January 1, 2024	\$ 5,365	\$ -	\$ 5,365
Derecognition	(793 )	-	(793 )
Provisions (reversal)	(36 )	-	(36 )
Exchange rate and other changes	12	-	12
Balance at June 30, 2024	<u>\$ 4,548</u>	<u>\$ -</u>	<u>\$ 4,548</u>

## 12. SECURITIES PURCHASED UNDER RESALE AGREEMENTS

Securities purchased under resell agreements as of June 30, 2025, December 31, 2024 and June 30, 2024 were \$ 17,213,801 thousand, \$ 8,408,560 thousand and \$12,680,454 thousand. The aforementioned securities will be bought back one after another before September 12, 2025, January 17, 2025 and July 26, 2024 at \$17,231,953 thousand, \$8,415,417 thousand and \$12,692,541 thousand.

### 13. RECEIVABLES, NET

	June 30, 2025	December 31, 2024	June 30, 2024
Accrued interest	\$ 3,843,203	\$ 4,795,095	\$ 4,448,993
Credit card receivables	2,854,456	3,285,192	4,446,538
Accounts receivable due from sales of securities	2,235,348	816,268	2,843,922
Acceptances	1,969,822	1,396,098	1,222,562
Accounts receivable - factoring	264,786	228,353	308,587
Others	872,914	532,221	821,409
	12,040,529	11,053,227	14,092,011
Less: Allowance for credit losses	(306,796 )	(303,243 )	(335,261 )
	<u>\$ 11,733,733</u>	<u>\$ 10,749,984</u>	<u>\$ 13,756,750</u>

The changes in total carrying amount and the allowance of receivables and other financial assets for the six months ended in June 30, 2025 and 2024 (including non-accrual loans and bills of exchange, refer to Note 16) are as follows:

#### For the Six Months ended June 30, 2025

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets)	Total
<b>Receivables and other financial assets</b>				
Beginning on January 1, 2025	\$ 10,830,502	\$ 162,446	\$ 67,136	\$ 11,060,084
Changes due to financial assets recognized at the beginning of the period:				
Transfer to lifetime ECLs	(52,343 )	52,491	(148 )	-
Transfer to ECLs on financial assets	(14,284 )	(16,016 )	30,300	-
Transfer to 12-month ECLs	38,265	(38,258 )	(7 )	-
Financial assets derecognized in the current period	(1,896,762 )	(38,717 )	(3,483 )	(1,938,962 )
Transfer or pay off the original amount	342,600	(1,909 )	(3,354 )	337,337
Purchased or originated financial assets	2,624,596	41,599	6,189	2,672,384
Write-offs	-	-	(27,147 )	(27,147 )
Exchange rate and other changes	(53,528 )	(159 )	(40 )	(53,727 )
Balance on June 30, 2025	\$ 11,819,046	\$ 161,477	\$ 69,446	\$ 12,049,969

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets)	Impairment Under the Guidelines of IFRS 9	The Difference of Impairment under the Regulatory Decree	Total
<b>Allowance</b>						
Beginning on January 1, 2025	\$ 243,720	\$ 24,377	\$ 11,937	\$ 280,034	\$ 28,194	\$ 308,228
Changes due to financial assets recognized at the beginning of the period:						
Transfer to lifetime ECLs	(469 )	475	(6 )	-	-	-
Transfer to ECLs on financial assets	(80 )	(404 )	484	-	-	-
Transfer to 12-month ECLs	11,879	(11,879 )	-	-	-	-
Financial assets derecognized in the current period	(4,242 )	(5,745 )	(8,176 )	(18,163 )	-	(18,163 )
Provisions (reversal)	(14,812 )	13,831	18,647	17,666	-	17,666
Purchased or originated financial assets	5,910	3,247	2,088	11,245	-	11,245
The difference of impairment under the regulation or decree	-	-	-	-	4,933	4,933
Write-offs	-	-	(27,147 )	(27,147 )	-	(27,147 )
Recoveries after write-off	-	-	16,216	16,216	-	16,216
Exchange rate and other changes	(2,428 )	-	-	(2,428 )	-	(2,428 )
Balance on June 30, 2025	\$ 239,478	\$ 23,902	\$ 14,043	\$ 277,423	\$ 33,127	\$ 310,550

**For the Six Months ended June 30, 2024**

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets)	Total
<b>Receivables and other financial assets</b>				
Beginning on January 1, 2024	\$ 10,637,938	\$ 292,822	\$ 63,300	\$ 10,994,060
Changes due to financial assets recognized at the beginning of the period:				
Transfer to lifetime ECLs	(67,216 )	67,363	(147 )	-
Transfer to ECLs on financial assets	(17,001 )	(15,081 )	32,082	-
Transfer to 12-month ECLs	43,557	(43,152 )	(405 )	-
Financial assets derecognized in the current period	(1,909,525 )	(163,891 )	(4,500 )	(2,077,916 )
Transfer or pay off the original amount	2,948,386	(21,330 )	9,883	2,936,939
Purchased or originated financial assets	2,132,593	45,939	846	2,179,378
Write-offs	-	-	(31,074 )	(31,074 )
Exchange rate and other changes	96,281	6,889	133	103,303
Balance on June 30, 2024	\$ 13,865,013	\$ 169,559	\$ 70,118	\$ 14,104,690

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets)	Impairment Under the Guidelines of IFRS 9	The Difference of Impairment under the Regulatory Decree	Total
<b>Allowance</b>						
Beginning on January 1, 2024	\$ 230,032	\$ 50,484	\$ 29,115	\$ 309,631	\$ 12,918	\$ 322,549
Changes due to financial assets recognized at the beginning of the period:						
Transfer to lifetime ECLs	(485 )	544	(59 )	-	-	-
Transfer to ECLs on financial assets	(136 )	(2,875 )	3,011	-	-	-
Transfer to 12-month ECLs	17,997	(17,854 )	(143 )	-	-	-
Financial assets derecognized in the current period	(6,007 )	(21,136 )	(2,029 )	(29,172 )	-	(29,172 )
Provisions (reversal)	18,393	16,876	10,908	46,177	-	46,177
Purchased or originated financial assets	7,541	6,266	308	14,115	-	14,115
The difference of impairment under the regulation or decree	-	-	-	-	6,820	6,820
Write-offs	-	-	(31,074 )	(31,074 )	-	(31,074 )
Recoveries after write-off	-	-	13,291	13,291	-	13,291
Exchange rate and other changes	(3,421 )	722	53	(2,646 )	-	(2,646 )
Balance on June 30, 2024	\$ 263,914	\$ 33,027	\$ 23,381	\$ 320,322	\$ 19,738	\$ 340,060

**14. DISCOUNTS AND LOANS, NET**

	June 30, 2025	December 31, 2024	June 30, 2024
Loans	\$ 885,531,164	\$ 894,177,297	\$ 874,314,972
Non-performing loans	2,616,272	1,944,344	5,017,280
Inward/outward documentary bills	1,488,634	2,561,650	1,954,899
Overdrafts	3,476	3,162	3,588
	889,639,546	898,686,453	881,290,739
Discount and premium adjustments	113,034	141,031	151,358
Allowance for credit losses	(12,149,770 )	(11,307,578 )	(13,244,383 )
	<u>\$ 877,602,810</u>	<u>\$ 887,519,906</u>	<u>\$ 868,197,714</u>

The Bank discontinues accruing interest when loans are deemed non-performing. For the six months ended June 30, 2025 and 2024, the unrecognized interest revenue on the non-performing loans amounted to \$38,569 thousand and \$105,750 thousand, respectively.

For the six months ended June 30, 2025 and 2024, the Bank only had written off certain credits after completing the required legal procedures.

The changes in carrying amount and allowance for discounts and loans for the six months ended June 30, 2025

and 2024 are as follows:

**For the Six Months ended June 30, 2025**

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets)	Total
<b>Receivables and other financial assets</b>				
Beginning on January 1, 2025	\$ 885,310,273	\$ 10,415,101	\$ 2,961,079	\$ 898,686,453
Changes due to financial assets recognized at the beginning of the period:				
Transfer to lifetime ECLs	(1,511,393 )	1,512,289	(896 )	-
Transfer to ECLs on financial assets	(483,735 )	(387,442 )	871,177	-
Transfer to 12-month ECLs	2,635,459	(2,635,241 )	(218 )	-
Financial assets derecognized in the current period	(202,362,653 )	(4,857,768 )	(260,382 )	(207,480,803 )
Transfer or pay off the original amount	(21,111,325 )	(286,665 )	(222,366 )	(21,620,356 )
Purchased or originated financial assets	223,753,051	4,167,791	128,036	228,048,878
Write-offs	-	-	-	-
Exchange rate and other changes	(7,927,325 )	(55,732 )	(11,569 )	(7,994,626 )
Balance on June 30, 2025	\$ 878,302,352	\$ 7,872,333	\$ 3,464,861	\$ 889,639,546

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets)	Impairment Under the Guidelines of IFRS 9	The Difference of Impairment under the Regulatory Decree	Total
<b>Allowance</b>						
Beginning on January 1, 2025	\$ 571,393	\$ 1,290,571	\$ 561,509	\$ 2,423,473	\$ 8,884,105	\$ 11,307,578
Changes due to financial assets recognized at the beginning of the period:						
Transfer to lifetime ECLs	(913 )	987	(74 )	-	-	-
Transfer to ECLs on financial assets	(154 )	(15,381 )	15,535	-	-	-
Transfer to 12-month ECLs	962,754	(962,731 )	(23 )	-	-	-
Financial assets derecognized in the current period	(151,559 )	(192,675 )	(65,919 )	(410,153 )	-	(410,153 )
Provisions (reversal)	(752,112 )	75,814	(114,909 )	(791,207 )	-	(791,207 )
Purchased or originated financial assets	216,592	72,453	54,384	343,429	-	343,429
The difference of impairment under the regulation or decree	-	-	-	-	1,721,986	1,721,986
Write-offs	-	-	-	-	-	-
Recoveries after write-off	-	-	201,541	201,541	-	201,541
Exchange rate and other changes	(213,678 )	(2,831 )	(6,895 )	(223,404 )	-	(223,404 )
Balance on June 30, 2025	\$ 632,323	\$ 266,207	\$ 645,150	\$ 1,543,679	\$ 10,606,091	\$ 12,149,770

**For the Six Months ended June 30, 2024**

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets)	Total
<b>Receivables and other financial assets</b>				
Beginning on January 1, 2024	\$ 866,937,819	\$ 5,916,015	\$ 6,938,948	\$ 879,792,782
Changes due to financial assets recognized at the beginning of the period:				
Transfer to lifetime ECLs	(996,742 )	996,742	-	-
Transfer to ECLs on financial assets	(887,463 )	(383,894 )	1,271,357	-
Transfer to 12-month ECLs	1,770,409	(1,770,409 )	-	-
Financial assets derecognized in the current period	(212,677,393 )	(1,363,466 )	(86,657 )	(214,127,516 )
Provisions (reversal)	(25,152,067 )	(211,486 )	(119,453 )	(25,483,006 )
Purchased or originated financial assets	234,944,987	1,341,302	193,434	236,479,723
Write-offs	-	-	(2,437,874 )	(2,437,874 )
Exchange rate and other changes	6,877,303	75,884	113,443	7,066,630
Balance on June 30, 2024	\$ 870,816,853	\$ 4,600,688	\$ 5,873,198	\$ 881,290,739



	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets)	Impairment Under the Guidelines of IFRS 9	The Difference of Impairment under the Regulatory Decree	Total
<b>Allowance</b>						
Beginning on January 1, 2024	\$ 905,400	\$ 848,430	\$ 2,454,873	\$ 4,208,703	\$ 9,542,613	\$ 13,751,316
Changes due to financial assets recognized at the beginning of the period:						
Transfer to lifetime ECLs	(602 )	602	-	-	-	-
Transfer to ECLs on financial assets	(824 )	(31,150 )	31,974	-	-	-
Transfer to 12-month ECLs	564,631	(564,631 )	-	-	-	-
Financial assets derecognized in the current period	(300,641 )	(105,490 )	(35,834 )	(441,965 )	-	(441,965 )
Provisions (reversal)	(563,296 )	89,077	1,528,411	1,054,192	-	1,054,192
Purchased or originated financial assets	497,320	179,103	92,618	769,041	-	769,041
The difference of impairment under the regulation or decree	-	-	-	-	462,796	462,796
Write-offs	-	-	(2,437,874 )	(2,437,874 )	-	(2,437,874 )
Recoveries after write-off	-	-	51,484	51,484	-	51,484
Exchange rate and other changes	26,724	1,741	6,928	35,393	-	35,393
Balance on June 30, 2024	\$ 1,128,712	\$ 417,682	\$ 1,692,580	\$ 3,238,974	\$ 10,005,409	\$ 13,244,383

The details of bad debt expense, commitment and guarantee liability provisions for the six months ended June 30, 2025 and 2024 are listed below:

	For the Six Months Ended June 30	
	2025	2024
Provisions for loans and discounts	\$ 864,055	\$ 1,844,064
Provisions (reversal) for reserve of possible losses on guarantees	24,579	(182,004 )
Provisions for receivables and other financial assets	15,681	37,940
	<u>\$ 904,315</u>	<u>\$ 1,700,000</u>

To reflect the market environment, the Bank and Shanghai Commercial Bank (HK) increased the allowances for doubtful accounts on discounts and loans by 1,100 million for the six months ended June 30, 2024, based on group assessments. Relevant information is available from the material information and announcement on the Market Observation Post System website of the Taiwan Stock Exchange.

## 15. INVESTMENTS UNDER THE EQUITY METHOD

Equity Method	June 30, 2025		December 31, 2024		June 30, 2024	
	Carrying Amount	% of Ownership	Carrying Amount	% of Ownership	Carrying Amount	% of Ownership
<b>Investment in subsidiaries</b>						
Domestic investments						
SCSB Asset Management Ltd.	\$ 1,620,337	100.00	\$ 1,699,726	100.00	\$ 1,657,480	100.00
China Travel Service (Taiwan)	381,485	99.99	398,316	99.99	486,168	99.99
SCSB Marketing Ltd.	8,840	100.00	9,858	100.00	8,816	100.00
	<u>2,010,662</u>		<u>2,107,900</u>		<u>2,152,464</u>	
Foreign investments						
Shancom Reconstruction AG	86,119,741	100.00	92,322,272	100.00	87,839,645	100.00
Wresqueue Limitada	379,951	100.00	419,629	100.00	408,354	100.00
Paofoong Insurance Company Ltd.	433,234	40.00	465,504	40.00	431,169	40.00
AMK Microfinance Institution Plc (AMK)	5,356,640	99.99	5,978,231	99.99	5,938,562	99.99
	<u>92,289,566</u>		<u>99,185,636</u>		<u>94,617,730</u>	
Total	<u>\$ 94,300,228</u>		<u>\$101,293,536</u>		<u>\$ 96,770,194</u>	

The Bank invested in Paofoong Insurance Company (Hong Kong) Ltd. and held 40% equity directly and 60% indirectly through Shancom Reconstruction AG Therefore, Paofoong Insurance Company (Hong Kong) Ltd. was recorded as a subsidiary.

The Bank recognized investment losses on Kuo Hai Construction over the years because of the investee's continuing operating losses. The carrying value of Kuo Hai Construction was reduced to zero in 2002.

The Bank acquired Cambodia AMK on August 28, 2018, and the consideration paid included the expected value of the consolidated effect, revenue growth, future market development, etc., the bank use the annual discount rate (15.2%) to evaluate AMK's recoverable amount and the recoverable amount of the Bank assessed that the AMK was less than the carrying amount at the end of the year, so impairment loss was recognized for the year ended December 31, 2024 of 98,845 thousand.

## 16. OTHER FINANCIAL ASSETS, NET

	June 30, 2025	December 31, 2024	June 30, 2024
Non-performing receivables	\$ 3,584	\$ 4,985	\$ 4,719
Bills of exchange	5,856	1,872	7,960
	9,440	6,857	12,679
Allowance for non-performing credit card receivables	(3,754)	(4,985)	(4,799)
	<u>\$ 5,686</u>	<u>\$ 1,872</u>	<u>\$ 7,880</u>

The amount of non-performing receivables is made up of unsettled transactional for forward exchange contracts and credit card receivables.

The balances of credit card receivables which were reported as non-performing amounted to \$3,584 thousand, \$4,985 thousand and \$4,719 thousand as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively. The unrecognized interest revenue on the receivables amounted to \$60 thousand and \$83 thousand for the six months ended June 30, 2025 and 2024, respectively.

## 17. PROPERTIES, NET

	June 30, 2025	December 31, 2024	June 30, 2024
Land	\$ 9,533,891	\$ 9,533,891	\$ 9,570,200
Buildings and improvements	4,858,021	1,485,609	1,516,938
Mechanical equipment	472,797	528,310	458,731
Miscellaneous equipment	396,103	375,529	318,292
Transportation equipment	2,398	2,812	3,590
Construction in progress and prepayments	250,021	3,304,167	3,079,751
	<u>\$ 15,513,231</u>	<u>\$ 15,230,318</u>	<u>\$ 14,947,502</u>

### For the Six Months Ended June 30, 2025

Items	Balance at January 1, 2025	Additions	Disposals	Internal Transfers	Effects of Exchange Rate Changes, Net	Balance at June 30, 2025
<b>Cost</b>						
Land	\$ 9,533,891	\$ -	\$ -	\$ -	\$ -	\$ 9,533,891
Buildings and improvements	4,175,813	379,079	-	3,054,146	-	7,609,038
Mechanical equipment	1,379,139	34,225	(16,797)	-	(6,424)	1,390,143
Miscellaneous equipment	890,163	64,078	(10,626)	-	(4,197)	939,418
Transportation equipment	20,187	-	(54)	-	-	20,133
	<u>15,999,193</u>	<u>\$ 477,382</u>	<u>\$ (27,477)</u>	<u>\$ 3,054,146</u>	<u>\$ (10,621)</u>	<u>19,492,623</u>

### Accumulated depreciation

Buildings and improvements	\$ 2,690,204	\$ 60,813	\$ -	\$ -	\$ -	\$ 2,751,017
Mechanical equipment	850,829	87,472	(15,310)	-	(5,645)	917,346
Miscellaneous equipment	514,634	41,462	(9,684)	-	(3,097)	543,315
Transportation equipment	17,375	400	(40)	-	-	17,735
	<u>4,073,042</u>	<u>\$ 190,147</u>	<u>\$ (25,034)</u>	<u>\$ -</u>	<u>\$ (8,742)</u>	<u>4,229,413</u>
Construction-in-progress and prepayments	3,304,167	\$ -	\$ -	\$(3,054,146)	\$ -	250,021
Net amount	<u>\$ 15,230,318</u>					<u>\$ 15,513,231</u>

### For the Six Months Ended June 30, 2024

Items	Balance at January 1, 2024	Additions	Disposals	Effects of Exchange Rate Changes, Net	Balance at June 30, 2024
<b>Cost</b>					
Land	\$ 9,570,200	\$ -	\$ -	\$ -	\$ 9,570,200
Buildings and improvements	4,184,727	-	-	-	4,184,727
Mechanical equipment	1,228,229	103,885	(2,401)	2,886	1,332,599
Miscellaneous equipment	734,520	93,801	(4,406)	1,649	825,564
Transportation equipment	31,429	87	(8,988)	-	22,528
	<u>15,749,105</u>	<u>\$ 197,773</u>	<u>\$ (15,795)</u>	<u>\$ 4,535</u>	<u>\$ 15,935,618</u>
<b>Accumulated depreciation</b>					
Buildings and improvements	\$ 2,635,587	\$ 32,202	\$ -	\$ -	\$ 2,667,789
Mechanical equipment	801,848	71,624	(1,868)	2,264	873,868
Miscellaneous equipment	481,273	28,823	(4,018)	1,194	507,272
Transportation equipment	27,168	588	(8,818)	-	18,938
	<u>3,945,876</u>	<u>\$ 133,237</u>	<u>\$ (14,704)</u>	<u>\$ 3,458</u>	<u>4,067,867</u>
Construction-in-progress and prepayments	2,514,684	\$ 565,067	\$ -	\$ -	3,079,751
Net amount	<u>\$ 14,317,913</u>				<u>\$ 14,947,502</u>

The Bank did not have any impairment losses on the properties as of June 30, 2025, December 31, 2024 and June 30, 2024.

Depreciation expense of properties is computed using the straight-line method over the useful lives below:

Buildings and improvements	
Branches offices	43-55 years
Air conditioning and machine rooms	9 years
Mechanical equipment	3-8 years
Transportation equipment	5-10 years
Miscellaneous equipment	5-20 years

## 18. LEASE ARRANGEMENTS

### 18.1 Right-of-use assets

#### Right-of-use assets

	June 30, 2025	December 31, 2024	June 30, 2024
Carrying amount of right-of-use assets			
Buildings and improvements	\$ 710,812	\$ 694,250	\$ 769,892
Transportation equipment	37,192	43,702	38,179
Mechanical equipment	16,959	19,786	22,614
	<u>\$ 764,963</u>	<u>\$ 757,738</u>	<u>\$ 830,685</u>

	For the Six Months Ended June 30	
	2025	2024
Increase in right-of-use assets	\$ 177,780	\$ 353,949
Depreciation expenses of right-of-use assets		
Buildings and improvements	\$ 150,006	\$ 156,477
Transportation equipment	8,048	8,699
Mechanical equipment	2,827	2,931
	<u>\$ 160,881</u>	<u>\$ 168,107</u>

### 18.2 Lease liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
Carrying amount of lease liabilities	<u>\$ 775,903</u>	<u>\$ 769,855</u>	<u>\$ 842,852</u>

The discount rate intervals for lease liabilities are as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Buildings and improvements	0.60%~1.90%	0.60%~1.60%	0.60%~1.40%
Mechanical equipment	0.60%~1.90%	0.60%~1.60%	0.60%~1.40%
Transportation equipment	0.60%~1.90%	0.60%~1.60%	0.60%~1.40%

### 18.3 Other lease information

	For the Six Months Ended June 30	
	2025	2024
Short-term lease expenses	\$ 9,539	\$ 7,857
Leases of low value assets	\$ 1,114	\$ 973
Variable lease payments which are not included in lease liabilities measurements	\$ 5,446	\$ 2,287
Total cash outflow for leases	<u>\$ 183,375</u>	<u>\$ 178,475</u>

The Bank chooses to apply recognition exemption to the rentals of buildings, office equipment, transportation equipment that qualify as short-term lease and computer equipment which qualify as low value assets, and did not recognize related right-of-use assets and lease liabilities.

## 19. INTANGIBLE ASSETS, NET

For the Six Months Ended June 30, 2025					
	Balance at January 1, 2025	Additions	Disposals	Effects of Exchange Rate Changes, Net	Balance at June 30, 2025
Cost					
Computer software	\$ 851,174	\$ 78,340	\$ (142,765)	\$ (10,988)	\$ 775,761
Less: Accumulated amortization					
Computer software	527,698	\$ 111,857	\$ (142,765)	\$ (6,636)	490,154
Net amount	\$ 323,476				\$ 285,607

  

For the Six Months Ended June 30, 2024					
	Balance at January 1, 2024	Additions	Disposals	Effects of Exchange Rate Changes, Net	Balance at June 30, 2024
Cost					
Computer software	\$ 783,100	\$ 55,872	\$ (61,478)	\$ 4,339	\$ 781,833
Less: Accumulated amortization					
Computer software	365,660	\$ 111,588	\$ (61,478)	\$ 2,427	418,197
Net amount	\$ 417,440				\$ 363,636

Amortization expense is computed using the straight-line method over the useful lives as follows:

Computer software	3-5 years
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## 20. OTHER ASSETS, NET

	June 30, 2025	December 31, 2024	June 30, 2024
Prepaid expenses	\$ 7,911,716	\$ 6,275,086	\$ 6,289,743
Temporary payments and suspension	1,852,252	1,593,986	1,372,755
Refundable deposits	1,668,174	1,274,393	1,584,917
Prepaid pension	465,575	465,575	232,864
Miscellaneous taxes	88,502	232,174	210,430
Deferred charges	2,223	6,391	22,385
Others	5,746	5,746	5,746
	<u>\$ 11,994,188</u>	<u>\$ 9,853,351</u>	<u>\$ 9,718,840</u>

## 21. DUE TO THE CENTRAL BANK AND BANKS

	June 30, 2025	December 31, 2024	June 30, 2024
Call loans from banks	\$ 14,410,885	\$ 18,441,446	\$ 9,430,144
Deposit from Chunghwa Post Co., Ltd.	1,221,799	1,221,799	1,221,799
Due to banks	1,232,207	954,062	144,524
Bank overdrafts	2,329,622	523,603	1,701,294
	<u>\$ 19,194,513</u>	<u>\$ 21,140,910</u>	<u>\$ 12,497,761</u>

## 22. SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

Securities sold under repurchase agreements as of June 30, 2025, December 31, 2024 and June 30, 2024

were \$3,955,500 thousand, \$4,783,1553 thousand and \$7,929,084 thousand, respectively. The aforementioned securities will be brought back by December 26, 2025, June 27, 2025 and December 27, 2024 at \$3,965,557 thousand, \$4,786,489 thousand and \$7,934,356 thousand, respectively.

## 23. PAYABLES

	June 30, 2025	December 31, 2024	June 30, 2024
Dividends payable	\$ 26,200,161	\$ 17,449,275	\$ 25,353,194
Accrued interest	4,624,447	3,992,592	4,357,085
Accounts payable	2,004,616	952,702	5,196,298
Acceptances	1,994,271	1,452,638	1,238,585
Accrued expenses	1,094,763	1,554,638	983,165
Other accounts payable	246,977	247,460	207,241
Others	666,429	678,523	678,057
	<u>\$ 36,831,664</u>	<u>\$ 26,257,828</u>	<u>\$ 38,013,625</u>

## 24. DEPOSITS AND REMITTANCES

	June 30, 2025	December 31, 2024	June 30, 2024
Savings deposits	\$ 489,110,636	\$ 480,518,976	\$ 457,728,604
Time deposits	406,855,368	436,725,591	440,944,174
Demand deposits	271,041,901	287,687,541	278,157,337
Negotiable certificates of deposit	83,513,100	70,525,400	63,856,900
Checking deposits	9,070,717	10,901,583	9,996,854
Remittances	428,375	228,489	269,177
	<u>\$ 1,260,020,097</u>	<u>\$ 1,286,587,580</u>	<u>\$ 1,250,953,046</u>

## 25. BANK DEBENTURES

	June 30, 2025	December 31, 2024	June 30, 2024
The subordinated bank debenture - 7-10 years maturity; first issued in 2017; maturity date is from June 2024 to 2027	4,800,000	4,800,000	4,800,000
The subordinated bank debenture - 7-10 years maturity; second issued in 2017; maturity date is from December 2024 to 2027	3,800,000	3,800,000	5,000,000
The subordinated bank debenture - 7-10 years maturity; first issued in 2018; maturity date is in June 2028	2,000,000	5,000,000	5,000,000
The subordinated bank debenture; third issued in 2018; no maturity date	7,000,000	7,000,000	7,000,000
The bank debenture - 5 years maturity; first issued in 2019; maturity date is in September 2024	-	-	6,900,000
The bank debenture - 7-10 years maturity; first issued in 2020; maturity date is in March 2027 to 2030	10,000,000	10,000,000	10,000,000
The subordinated bank debenture - 7-10 years maturity; first issued in 2021; maturity date is from October 2028 to 2031	5,000,000	5,000,000	5,000,000
The bank debenture - 3-5 years maturity; first issued in 2022; maturity date is from July 2025 to 2027	2,000,000	2,000,000	2,000,000
The bank debenture - 3 years maturity; second issued in 2022; maturity date is September 2025	1,000,000	1,000,000	1,000,000
The subordinated bank debenture; third issued in 2022; no maturity date	1,070,000	1,070,000	1,070,000
The bank debenture - 3 years maturity; third issued in 2023; maturity date is in December 2026	2,000,000	2,000,000	2,000,000
The subordinated bank debenture - 10 years maturity; second issued in 2024; maturity date is in March 2034	2,500,000	2,500,000	2,500,000
The bank debenture - 5-7 years maturity; third issued in 2024; maturity date is from December 2029 to 2031	4,050,000	4,050,000	-
The bank debenture - 5 years maturity; first issued in 2025; maturity date is in April 2030	2,100,000	-	-
	<u>\$ 47,320,000</u>	<u>\$ 48,220,000</u>	<u>\$ 52,270,000</u>

The first issuance of the 2017 bank debenture was classified into two types, Types A and B, in accordance with the issued terms. Their terms and methods of interest accrual were as follows: Type A, seven-year of subordinated bank debenture at a fixed annual interest rate of 1.50%; Type B, ten-year of subordinated bank debenture at a fixed annual interest rate of 1.85%. The interests were paid annually with the repayment of principals at maturity.

The second issuance of the 2017 bank debenture was classified into two types in accordance with the issued terms and the methods of interest accrual: Types A and B. Their terms and methods of interest accrual were as follows: Type A, seven-year of subordinated bank debenture at a fixed annual interest rate of 1.30%; Type B, ten-year of subordinated bank debenture at a fixed annual interest rate of 1.55%. Their interests were paid annually with repayment of principals at maturity.

The first issuance of the 2018 bank debenture was classified into two types in accordance with the issued terms and the methods of interest accrual: Types A and B. Their terms were as follows: Type A, seven-year of subordinated bank debenture at a fixed annual interest rate of 1.25%; Type B, ten-year of subordinated bank debenture at a fixed annual interest rate of 1.45%. Their interests were paid annually with repayment of principals at maturity.

The third issuance of the 2018 subordinated bank debenture was at a fixed annual interest rate of 2.15% with the interest paid annually and the repayment of principal at maturity.

The first issuance of the 2019 bank debenture was classified into two types in accordance with the issued terms and the methods of interest accrual: Types A and B. Their terms were as follows: Type A, three-year bank debenture at a fixed annual interest rate of 0.65%; Type B, five-year bank debenture at a fixed annual interest rate of 0.69%. Their interests were paid annually with repayment of principals at maturity.

The first issuance of the 2020 bank debenture was classified into two types in accordance with the issued terms and the methods of interest accrual: Types A and B. Their terms were as follows: Type A, seven-year bank debenture at a fixed annual interest rate of 0.62%; Type B, ten-year bank debenture at a fixed annual interest rate of 0.64%. Their interests were paid annually with repayment of principals at maturity.

The first issuance of the 2021 bank debenture was classified into two types in accordance with the issued terms and the methods of interest accrual: Types A and B. Their terms were as follows: Type A, seven-year bank debenture at a fixed annual interest rate of 0.60%; Type B, ten-year bank subordinated debenture at a fixed annual interest rate of 0.72%. Their interests were paid annually with repayment of principals at maturity.

The first issuance of the 2022 bank debenture was classified into two types in accordance with the issued terms and the methods of interest accrual: Types A and B. Their terms were as follows: Type A, three-year bank debenture at a fixed annual interest rate of 1.60%; Type B, five-year bank subordinated debenture at a fixed annual interest rate of 1.70%. Their interests were paid annually with repayment of principals at maturity.

The second issuance of the 2022 bank debenture is at a fixed annual interest rate of 1.40%. Their interests were paid annually with repayment of principals at maturity.

The third issuance of the 2022 subordinated bank debenture was at a fixed annual interest rate of 3.25% with the interest paid annually and the repayment of principal at maturity.

The third issuance of the 2023 bank debenture is at a fixed annual interest rate of 1.60%. Their interests were paid annually with repayment of principals at maturity.

The second issuance of the 2024 bank debenture is at a fixed annual interest rate of 1.95%. Their interests were paid annually with repayment of principals at maturity.

The third issuance of the 2024 bank debenture is at a fixed annual interest rate of 1.90%. Their interests were paid annually with repayment of principals at maturity. The third issuance of the 2024 seven-year bank debenture is at a fixed annual interest rate of 1.95%. Their interests were paid annually with repayment of principals at maturity.

The first issuance of the 2025 five-year bank debenture is at a fixed annual interest rate of 1.88%. Their interests were paid annually with repayment of principals at maturity.

## 26. OTHER FINANCIAL LIABILITIES

	June 30, 2025	December 31, 2024	June 30, 2024
Principals of structured instruments	\$ 7,829,854	\$ 7,360,739	\$ 6,272,787
Appropriated loan funds	1,774,488	1,265,357	1,146,665
	<u>\$ 9,604,342</u>	<u>\$ 8,626,096</u>	<u>\$ 7,419,452</u>

## 27. PROVISIONS

	June 30, 2025	December 31, 2024	June 30, 2024
Provision for employee benefits	\$ 798,351	\$ 783,351	\$ 621,031
Provision for guarantees liabilities	753,362	741,772	779,440
Provision for financing commitment	128,991	129,903	272,169
Provision for reconciliation compensation reserves	-	-	51,000
Provision for unexpected losses	3,565	3,565	3,565
Provision for other operations	2,718	3,043	3,011
	<u>\$ 1,686,987</u>	<u>\$ 1,661,634</u>	<u>\$ 1,730,216</u>

Provisions for changes in financing commitment and guarantee liability provisions of the Bank for the six months ended June 30, 2025 and 2024 were as follows:

### For the Six Months ended June 30, 2025

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets)	Impairment Under the Guidelines of IFRS 9	The Difference of Impairment under the Regulatory Decree	Total
<b>Provisions for commitment and guarantee liability</b>						
January 1, 2025	\$ 79,301	84,588	588	164,477	707,198	871,675
Changes due to financial assets recognized at the beginning of the period:						
Transfer to lifetime ECLs	(415 )	415	-	-	-	-
Transfer to credit impaired financial assets	(1 )	-	1	-	-	-
Transfer to 12-month ECLs	70,654	(70,654 )	-	-	-	-
Financial assets derecognized in the current period	(19,922 )	(361 )	-	(20,283 )	-	(20,283 )
Provisions (reversal)	(54,037 )	31,665	978	(21,394 )	-	(21,394 )
Purchased or originated financial assets	26,046	1,203	-	27,249	-	27,249
The difference of impairment under the regulation or decree	-	-	-	-	39,007	39,007
Exchange rate and other changes	(13,901 )	-	-	(13,901 )	-	(13,901 )
December 31, 2025	<u>\$ 87,725</u>	<u>46,856</u>	<u>1,567</u>	<u>136,148</u>	<u>746,205</u>	<u>882,353</u>



## For the Six Months ended June 30, 2024

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets)	Impairment Under the Guidelines of IFRS 9	The Difference of Impairment under the Regulatory Decree	Total
<b>Provisions for commitment and guarantee liability</b>						
January 1, 2024	\$ 150,325	170,819	793	321,937	903,123	1,225,060
Changes due to financial assets recognized at the beginning of the period:						
Transfer to lifetime ECLs	(40 )	40	-	-	-	-
Transfer to credit impaired financial assets	-	-	-	-	-	-
Transfer to 12-month ECLs	-	-	-	-	-	-
Financial assets derecognized in the current period	(108,541 )	(170,599 )	-	(279,140 )	-	(279,140 )
Provisions (reversal)	4,758	3,131	59	7,948	-	7,948
Purchased or originated financial assets	138,479	111,006	-	249,485	-	249,485
The difference of impairment under the regulation or decree	-	-	-	-	(160,297 )	(160,297 )
Exchange rate and other changes	8,533	(2 )	22	8,553	-	8,553
December 31, 2024	\$ 193,514	114,395	874	308,783	742,826	1,051,609

## 28. OTHER LIABILITIES

	June 30, 2025	December 31, 2024	June 30, 2024
Guarantee deposits received	\$ 928,453	\$ 1,012,698	\$ 1,376,468
Revenue received in advance	159,772	161,020	210,225
Deferred revenue	145,220	145,425	150,981
Temporary credit	39,405	47,086	42,034
Others	99,143	98,291	111,215
	<u>\$ 1,371,993</u>	<u>\$ 1,464,520</u>	<u>\$ 1,890,923</u>

## 29. PENSION PLAN

The expenses related to the post-retirement benefit plan for the six months ended June 30, 2025 and 2024 were recognized as employee benefit expenses in each period at the cost rate determined by the actuarial calculations as of December 31, 2024 and 2023. The breakdown of employee benefit expenses for the six months ended June 30, 2025 and 2024 was as follows:

	For the Six Months Ended June 30	
	2025	2024
Defined benefit plan	\$ 142,071	\$ 140,805
Employees' preferential deposit plan	15,000	15,000
	<u>\$ 157,071</u>	<u>\$ 155,805</u>

The Bank expected contributions to the plans for 2025 is \$291,928 thousand.

## 30. EQUITY

### 30.1 Share capital

	June 30, 2025	December 31, 2024	June 30, 2024
Authorized shares (in thousands)	6,000,000	6,000,000	6,000,000
Authorized capital	<u>\$ 60,000,000</u>	<u>\$ 60,000,000</u>	<u>\$ 60,000,000</u>
Issued and fully paid shares (in thousands)	4,861,603	4,861,603	4,861,603
Issued capital	<u>\$ 48,616,031</u>	<u>\$ 48,616,031</u>	<u>\$ 48,616,031</u>

The issued ordinary shares have par value of \$10. Each shareholder is entitled with the right to vote and to receive dividends.

## 30.2 Capital surplus

	June 30, 2025	December 31, 2024	June 30, 2024
Share premium	\$ 24,049,635	\$ 24,049,635	\$ 24,049,635
Treasury shares transaction	2,074,960	2,074,960	2,065,480
Unclaimed dividends	1,494,596	1,494,596	1,346,594
Recognition of changes in equity of subsidiaries	85,518	85,518	85,518
Proportionate share in investee's surplus from donated assets under the equity method	1,218	1,218	1,218
	<u>\$ 27,705,927</u>	<u>\$ 27,705,927</u>	<u>\$ 27,548,445</u>

The capital surplus from shares issued in excess of par (including additional paid-in capital from the issuance of ordinary shares, conversion of bonds and treasury share transactions) and donations may be capitalized from capital surplus into share capital, which is limited to a certain percentage of the Bank's paid-in capital.

The capital surplus from investments accounted for using the equity method and dividends not yet collected by shareholders has limited use and can only be used to offset losses.

Since the shares held by subsidiaries were classified as treasury shares, cash dividend distributed to subsidiaries was then recorded as capital surplus - treasury shares according to the shareholding ratio.

When the equity of the Bank is not actually obtained or processed, the impact of the equity transaction recognized due to changes in the Bank's equity or the Bank's recognition of the adjustment to the capital reserve of the subsidiary identified using the equity method.

## 30.3 Retained earnings and dividend policy

According to the earnings distribution policy of the Bank, where the Bank made a surplus profit in its annual accounts, the profit shall be first utilized for paying taxes and then offsetting losses of previous years. As required by the law, 30% of profit shall be allocated as the legal reserve. However, when the amount of statutory surplus reserve has reached the amount of total paid-in capital of the Bank, the required allocation of 30% of profit to the legal reserve is waived and any amount exempted from allocation to capital reserve may be appropriated to or reversed from the special surplus reserve for distribution of special dividends. After the abovementioned appropriations, the balance and accumulated unappropriated earnings of the previous year, including the special reserve shall be available for earnings for distribution. The board of directors drafts a plan for surplus distribution and submits it to the shareholders' meeting for approval. The distribution of dividends or bonuses is subject to the attendance of more than two-thirds of the members of the board of directors and the resolution of more than half of the directors present. All or part of the dividends or bonuses shall be distributed in cash and reported to the shareholders in their meeting.

If the Bank has no deficit and the legal reserve has exceeded 25% of the Bank's paid-in capital, the excess may be corrected into capital (share capital) or distributed in cash. However, under the Banking Law Act, if legal reserve is less than its paid-in capital, the Bank is allowed to distribute cash earnings only up to 15% of its capital. For the estimation on the distribution basis of employees' compensation and remuneration of directors, refer to employee benefits expense in Note 31.8.

The Bank has made special reserves for the adoption of IFRS in accordance with Rule No. 1010012865 issued by the FSC on April 6, 2012 and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs".

The Bank held the board of shareholders' meeting on June 13, 2025 and June 21, 2024, respectively. The proposals and resolutions for the appropriations of earnings and dividends per share for 2024 and 2023 were as follows:

	Appropriation of Earnings		Dividends Per Share (In NT Dollar)	
	2024	2023	2024	2023
Special reserve (reserve) set aside	\$ -	\$ (5,583,505 )		
Legal reserve	4,204,262	-		
Cash dividends - ordinary shares	8,750,886	8,750,886	\$ 1.80	\$ 1.80

The Bank's annual cash dividend of 2024, which was resolved by the shareholders' meeting, has not yet been distributed on June 30, 2025. Dividends payable are listed in the book. Please refer to Note 23.

#### 30.4 Special reserve

The Bank made a special reserve due to the transfer of \$1,256,859 thousand of its cumulative translation adjustment reported in equity to retained earnings upon first-time IFRS adoption. There was no change in the balance of the special reserve for the six months ended June 30, 2025.

According to Rule No. 10510001510 issued by the FSC on May 25, 2016, public banks shall appropriate to a special reserve 0.5% to 1.0% of net profit. Public banks may reverse the same amount of transfers or resettle the expenses starting from 2017. However, in accordance with Rule No. 34 10802714560 issued by the FSC, starting from 2019, the special reserve method will no longer be used to respond to the development of financial technology and protect the rights and interests of domestic bank employees, and to transfer expenses for employees to pay or resettlement expenses, and employee education and training expenses in response to the needs of financial technology or banking business development shall be returned within the scope of the special surplus reserve balance mentioned above. The Bank made a special reserve in the amount of \$189,228 thousand according to the rule on June 30, 2025.

In accordance with the Securities and Exchange Acts 41-1 and Rule No.1090150022 issued by the FSC on March 31, 2021, upon the first-time adoption for IFRSs for public companies, special reserve shall be made with the following:

- (1) With respect to the negative other equity interest for the period in which it arises, an equivalent amount of special reserve shall be set aside from the profit after tax for the period, plus other eligible items that are included in the undistributed earnings of the period. If there remains any insufficiency, it shall be set aside from the undistributed earnings of the previous period. Since the undistributed earnings of the previous period have been withdrawn, the Bank had included a special reserve of \$5,583,505 thousand.
- (2) With respect to the negative other equity interest accumulated from prior periods, an equivalent amount of special reserve shall be set aside from the undistributed earnings as at the prior period end. Where the undistributed earnings from the prior period are insufficient, the deficit can be made from the undistributed earnings of the current period which are contributed by the profit after tax of the current period plus any other eligible items. If subsequently there is any reversal of the negative other equity interest, the amount of the reversal may be reversed from special reserve and booked for earnings distribution. Until December 31, 2023 the Bank had reversed the special reverse of \$5,583,505 thousand according to the resolution of the shareholders' regular meeting on June 21, 2024.

#### 30.5 Other equity

Other equity in the Bank includes exchange differences arising from the translation of financial statements of foreign operations, unrealized gain or loss on financial assets measured at fair value through other comprehensive income, and the impact of credit risk on financial liabilities designated at fair value. Relevant changes and impacts are detailed in the standalone statement of changes in equity.

### 30.6 Treasury shares

On June 30, 2025 and 2024, Shancom Reconstruction AG and China Travel Service (Taiwan) held 11,370 thousand shares and 27 thousand shares of the Bank, respectively.

Under the Company Act, the Bank is not allowed to buy back more than 5% of its issued shares. In addition, the total cost of treasury shares may not exceed the sum of the retained earnings and realized capital surplus. The Bank is not allowed to exercise shareholders' rights on these shares before they are resold. The shares held by its subsidiaries are treated as treasury shares, except for participating in the Bank's cash addition and voting rights, the rest is the same as the general shareholder's rights.

## 31. DETAILS OF COMPREHENSIVE INCOME STATEMENT ITEMS

### 31.1 Interest income, net

	For the Six Months Ended June 30	
	2025	2024
Interest income		
Discounts and loans	\$ 12,844,941	\$ 13,582,433
Securities investments	4,732,016	5,222,782
Due from banks	968,636	1,177,929
Credit card interests	46,624	44,071
Others	121,955	82,630
	<u>18,714,172</u>	<u>20,109,845</u>
Interest expense		
Deposits	\$ 9,316,633	\$ 9,513,606
Bank debentures	441,204	459,167
Due to banks	328,585	200,230
Structured instruments	210,721	141,049
Securities sold under repurchase agreements	27,077	8,313
Leased liability	5,492	4,093
Others	9,379	14,948
	<u>10,339,091</u>	<u>10,341,406</u>
Interest income, net	<u>\$ 8,375,081</u>	<u>\$ 9,768,439</u>

### 31.2 Service fee income, net

	For the Six Months Ended June 30	
	2025	2024
Service fee income		
Insurance commission fees	\$ 1,138,147	\$ 889,015
Trust and custody services	605,032	685,008
Guarantees related fees	280,391	311,034
Credit card related fees	208,166	232,083
Loan service fees	238,525	222,376
Exchange related fees	74,562	78,656
Inward/outward business	44,230	51,017
Others (Note)	321,001	279,943
	<u>2,910,054</u>	<u>2,749,132</u>
Service charge		
Credit card service charge	\$ 179,663	\$ 186,867
Nominee and brokerage service charge	57,430	56,485
Finance service charge	26,538	35,233
Custody service charge	16,925	14,551
Others	66,957	94,961
	<u>347,513</u>	<u>388,097</u>
Service fee income, net	<u>\$ 2,562,541</u>	<u>\$ 2,361,035</u>

Note: The amount of individual item included in others does not exceed 5% of the account balance.

### 31.3 Gain (loss) on financial assets and liabilities at FVTPL

For the Six Months Ended June 30, 2025			
	Realized Gain (Loss)	Unrealized Gain (Loss)	Total
Financial assets mandatorily classified as at FVTPL	\$ 4,924,514	\$ (1,133,394 )	\$ 3,791,120
Held-for-trading financial liabilities	(4,895,544 )	1,748,182	(3,147,362 )
Financial liabilities designated at FVTPL	-	(56,400 )	(56,400 )
	<u>\$ 28,970</u>	<u>\$ 558,388</u>	<u>\$ 587,358</u>

  

For the Six Months Ended June 30, 2024			
	Realized Gain (Loss)	Unrealized Gain (Loss)	Total
Financial assets mandatorily classified as at FVTPL	\$ 6,736,541	\$ 426,664	\$ 7,163,205
Held-for-trading financial liabilities	(8,532,180 )	(2,210,656 )	(10,742,836 )
Financial liabilities designated at FVTPL	-	178,778	178,778
	<u>\$ (1,795,639 )</u>	<u>\$ (1,605,214 )</u>	<u>\$ (3,400,853 )</u>

### 31.4 Realized gain or loss on financial assets at FVTOCI

For the Six Months Ended June 30			
	2025	2024	
Dividend income	\$ 1,374,037	\$ 1,057,998	
Disposal of debt instruments	172,884	261,922	
	<u>\$ 1,546,921</u>	<u>\$ 1,319,920</u>	

### 31.5 Share of profit of subsidiaries accounted for using the equity method

For the Six Months Ended June 30			
	2025	2024	
Shancom Reconstruction AG	\$ 1,698,293	\$ 308,386	
Paofoong Insurance Company Ltd.	23,282	10,135	
AMK Microfinance Institution Plc. ( AMK )	10,121	59,269	
Wresqueue Limitada	5,459	8,219	
SCSB Asset Management Ltd.	3,668	(8,939 )	
SCSB Marketing Ltd.	982	1,139	
China Travel Service ( Taiwan )	(17,425 )	(8,845 )	
	<u>\$ 1,724,380</u>	<u>\$ 369,364</u>	

### 31.6 Other non-interest revenue

For the Six Months Ended June 30			
	2025	2024	
Leased revenue	\$ 36,028	\$ 34,373	
Loss on disposal and write-off of property and equipment	(2,443 )	(350 )	
Provision for reconciliation compensation reserves	-	(51,000 )	
Others	9,770	30,654	
	<u>\$ 43,355</u>	<u>\$ 13,667</u>	

### 31.7 Employment benefits expense

	For the Six Months Ended June 30	
	2025	2024
Short-term employment benefits	\$ 2,391,527	\$ 2,255,392
Retirement benefits		
Defined contribution plan	62,690	58,234
Defined benefit plan	142,071	140,805
Other benefit plan	170,233	249,283
	<u>\$ 2,766,521</u>	<u>\$ 2,703,714</u>

### 31.8 Employees' compensation and remuneration of directors

The employees' compensation and remuneration of directors were at the rates of no less than 0.1% and no higher than 0.6%, respectively, of net profit before income tax, employees' compensation and directors' remuneration.

The employees' compensation and the remuneration of directors for the six months ended June 30, 2025 and 2024 were as follows:

	For the Six Months Ended June 30	
	2025	2024
Employees' compensation	\$ 37,990	\$ 30,002
Remuneration of directors	<u>\$ 23,418</u>	<u>\$ 28,998</u>

The employees' compensation and remuneration of directors for 2024 and 2023 as approved in the board meetings on March 21, 2025 and March 29, 2024, respectively, were as follows:

	For the Six Months Ended June 30			
	2024		2023	
	Cash	Shares	Cash	Shares
Dividend income	\$ 76,000	\$ -	\$ 76,000	\$ -
Disposal of debt instruments	<u>\$ 40,420</u>	<u>\$ -</u>	<u>\$ 46,000</u>	<u>\$ -</u>

If the amount of actual employees' compensation and directors' remuneration changes after the release date of financial report, it will be treated according to the changes in accounting estimation and will be adjusted in the next year.

In accordance with the resolution of the board of directors, the remuneration of directors for the year ended December 31, 2024 amounted to \$40,420 thousand, which is \$5,580 thousand lower than the amount recognized in the 2024 financial statements. The difference has been adjusted and recognized under the remuneration of directors in 2025.

Information on the employees' compensation and remuneration of directors resolved by the Bank's board of directors in 2025 and 2024 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

### 31.9 Depreciation and amortization

		<b>For the Six Months Ended June 30</b>	
		<b>2025</b>	<b>2024</b>
Depreciation expense			
Properties	\$	190,147	\$ 133,237
Right-of-use assets		160,881	168,107
		<u>351,028</u>	<u>301,344</u>
Amortization expense			
Intangible assets		111,857	111,588
Other assets		3,854	26,360
		<u>115,711</u>	<u>137,948</u>
	\$	<u>466,739</u>	<u>\$ 439,292</u>

### 31.10 Other general and administrative

		<b>For the Six Months Ended June 30</b>	
		<b>2025</b>	<b>2024</b>
Taxation	\$	879,408	\$ 1,017,090
Postal fees		127,177	131,710
Insurances		113,894	118,390
Maintenance and repairmen fees		99,086	86,844
Others		452,870	381,619
	\$	<u>1,672,435</u>	<u>\$ 1,735,653</u>

## 32. INCOME TAX

### 32.1 Income tax expense recognized in profit or loss

The major components of tax expenses were as follows:

		<b>For the Six Months Ended June 30</b>	
		<b>2025</b>	<b>2024</b>
Current tax			
In respect of the current year	\$	1,512,933	\$ 557,594
In respect of prior periods		89,142	150,730
Undistributed retained earnings		52,953	580,841
		<u>1,655,028</u>	<u>1,289,165</u>
Deferred tax			
In respect of the current year		(653,357 )	34,919
Income tax expense recognized in profit or loss	\$	<u>1,001,671</u>	<u>\$ 1,324,084</u>

### 32.2 Income tax expense recognized in other comprehensive income

		<b>For the Six Months Ended June 30</b>	
		<b>2025</b>	<b>2024</b>
<b>Deferred income tax</b>			
Recognized in other comprehensive income			
Translation adjustments for foreign operations	\$	(2,148,724 )	\$ 986,086
Unrealized gain or loss on financial assets measured at FVTOCI		182,104	(210,317 )
Income tax (income) expense recognized in other comprehensive income	\$	<u>(1,966,620 )</u>	<u>\$ 775,769</u>

### 32.3 Income tax assessments

The Bank's income tax returns through 2020 had been assessed by the tax authorities.

### 33. EARNINGS PER SHARE

	For the Six Months Ended June 30	
	2025	2024
Basic earnings per share	\$ 1.61	\$ 1.20
Diluted earnings per share	\$ 1.61	\$ 1.20

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share were as follows:

#### Net Profit for the Period

	For the Six Months Ended June 30	
	2025	2024
Earnings used in the computation of basic and diluted earnings per share	\$ 7,804,075	\$ 5,802,861

#### Weighted Average Number of Ordinary Shares Outstanding (in Thousands of Shares)

	For the Six Months Ended June 30	
	2025	2024
Weighted average number of ordinary shares in computation of basic earnings per share	4,850,206	4,850,206
Effect of potentially dilutive ordinary shares:		
Employees' compensation	1,361	1,182
Weighted average number of ordinary shares used in the computation of diluted earnings per share	4,851,567	4,851,388

In the computation of diluted earnings per share, it assumed the entire amount of the compensation would be settled in potential shares. If the Bank offered to settle compensation paid to employees in cash or shares, the potential shares are included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

### 34. RELATED-PARTY TRANSACTIONS

The relationship, significant transactions and account balances of the Bank and its related parties (except those disclosed in other notes) are summarized as follows:



### 34.1 The Bank's related parties

Related Party	Relationship with the Bank
China Travel Service (Taiwan)	Substantive related party
SCSB Asset Management Ltd.	Substantive related party
SCSB Marketing Ltd.	Substantive related party
Shancom Reconstruction AG	Substantive related party
Wresqueue Limitada	Substantive related party
CTS Travel International Ltd.	Substantive related party
SCSB Leasing (China) Co., Ltd.	Substantive related party
Krinein Company (Krinein)	Substantive related party
Empresa Inversiones Generales, S.A. (Empresa)	Substantive related party
AMK Microfinance Institution Plc. (AMK)	Substantive related party
Shanghai Commercial Bank, HK (SCB)	Substantive related party
The SCSB Cultural & Educational Foundation	Substantive related party
The SCSB Charity Foundation	Substantive related party
Silks Place Taroko	Substantive related party
Hung Ta Investment Corporation	Substantive related party
Taiwan Finance Corporation	Substantive related party
Financial Information Service Co., LTD.	Substantive related party
IBF Securities Co., Ltd.	Substantive related party
Other related parties	The relatives of the Bank's directors, related management and substantive related party

### 34.2 Significant transactions between parties

#### 34.2.1 Due from foreign banks

	June 30, 2025	December 31, 2024	June 30, 2024
Shanghai Commercial Bank (HK)	\$ 2,070,323	\$ 191,692	\$ 304,239

The interest income arising from the above transactions were \$1 thousand and \$0.5 thousand for the six months ended June 30, 2025 and 2024, respectively.

#### 34.2.2 Due to banks

	June 30, 2025	December 31, 2024	June 30, 2024
Shanghai Commercial Bank (HK)	\$ 99,013	\$ 99,013	\$ 82,846

#### 34.2.3 Guarantees

	Maximum Balance	Ending Balance	Reserve for Possible Losses on Guarantees	Interest Rate (%)	Collateral
<u>June 30, 2025</u>					
China Travel Service (Taiwan)	\$ 9,000	\$ 9,000	\$ -	1.00	Real estate
<u>December 31, 2024</u>					
China Travel Service (Taiwan)	\$ 9,000	\$ 9,000	\$ -	1.00	Real estate
<u>June 30, 2024</u>					
China Travel Service (Taiwan)	\$ 7,000	\$ 7,000	\$ -	1.00	Real estate

### 34.2.4 Deposits

	June 30, 2025			For the Six Months Ended June 30, 2025
	Maximum Balance	Ending Balance	Interest Rate (%)	Interest Expense
IBF Securities Co., Ltd.	\$ 5,585,919	\$ 5,585,919	0.64-1.60	\$ 18,760
Financial Information Service Co., LTD.	982,186	784,352	0.00-1.70	10,721
Directors and related management	339,098	304,826	0.00-4.30	3,633
The SCSB Cultural & Educational Foundation	310,229	303,823	0.00-1.72	2,052
SCSB Asset Management Ltd.	200,943	16,197	0.01-1.64	29
Employees	163,201	107,502	0.00-10.98	1,671
Shancom Reconstruction AG	75,221	67,021	0.80-4.10	1,435
Others	496,809	486,618	0.00-4.00	1,828
	<u>\$ 8,153,606</u>	<u>\$ 7,656,258</u>		<u>\$ 40,129</u>

	December 31, 2024			For the Year Ended December 31, 2024
	Maximum Balance	Ending Balance	Interest Rate (%)	Interest Expense
IBF Securities Co., Ltd.	\$ 5,823,437	\$ 4,883,622	0.64-1.45	\$ 36,493
SCSB Asset Management Ltd.	1,187,513	45,889	0.20-1.64	890
Financial Information Service Co., LTD.	987,980	987,980	0.55-1.45	12,895
Directors and related management	988,258	298,235	0.00-5.50	5,393
Shancom Reconstruction AG	83,668	73,553	0.03-4.00	2,993
The SCSB Cultural & Educational Foundation	347,772	319,496	0.01-1.72	4,872
Employees	333,636	121,826	0.00-10.94	4,384
Others	1,033,395	340,539	0.00-5.15	3,471
	<u>\$ 10,776,659</u>	<u>\$ 7,062,140</u>		<u>\$ 71,391</u>

	June 30, 2024			For the Six Months Ended June 30, 2024
	Maximum Balance	Ending Balance	Interest Rate (%)	Interest Expense
IBF Securities Co., Ltd.	\$ 5,365,987	\$ 5,231,683	0.55-1.45	\$ 7,902
Financial Information Service Co., LTD.	965,709	965,709	0.55-1.45	3,224
SCSB Asset Management Ltd.	875,195	128,023	0.00-1.64	225
Directors and related management	611,188	271,502	0.00-5.50	1,242
Employees	258,345	125,476	0.00-10.81	1,810
The SCSB Cultural & Educational Foundation	329,631	299,266	0.00-1.72	2,387
Shancom Reconstruction AG	80,600	80,600	1.40-4.00	810
Others	600,703	339,100	0.00-4.80	1,646
	<u>\$ 9,087,358</u>	<u>\$ 7,411,359</u>		<u>\$ 19,246</u>

### 34.2.5 Interest receivable (accounted for as receivables)

	June 30, 2025	December 31, 2024	June 30, 2024
AMK	\$ 24,837	\$ 35,273	\$ 55,360
Directors and related management	94	105	70
	<u>\$ 24,931</u>	<u>\$ 35,378</u>	<u>\$ 55,430</u>

### 34.2.6 Interest payable (accounted for as payables)

	June 30, 2025	December 31, 2024	June 30, 2024
Financial Information Service Co., LTD.	\$ 849	\$ 2,440	\$ 5,034
IBF Securities Co., Ltd.	1,636	1,607	7,029
Shancom Reconstruction AG	229	247	278
Others	1,093	1,317	1,287
	<u>\$ 3,807</u>	<u>\$ 5,611</u>	<u>\$ 13,628</u>

### 34.2.7 Guarantee deposits received (accounted for as other liabilities)

	June 30, 2025	December 31, 2024	June 30, 2024
The SCSB Cultural & Educational Foundation	\$ 318	\$ 318	\$ 318
SCSB Asset Management Ltd	264	264	-
China Travel Service (Taiwan)	189	189	189
SCSB Marketing Ltd.	20	20	130
	<u>\$ 791</u>	<u>\$ 791</u>	<u>\$ 637</u>

### 34.2.8 Rental income (accounted for as other non-interest revenue, net))

	For the Six Months Ended June 30	
	2025	2024
The SCSB Cultural & Educational Foundation	\$ 641	\$ 641
China Travel Service (Taiwan)	360	360
SCSB Asset Management Ltd	503	-
SCSB Marketing Ltd.	41	157
	<u>\$ 1,545</u>	<u>\$ 1,158</u>

For the rental contracts with related parties, the rental is determined in proportion to similar rentals in the area, based on a reference of the rentals in the neighborhood, and is received on a monthly basis.

### 34.2.9 Administrative and operating expense (accounted for as other general administrative expenses)

	For the Six Months Ended June 30	
	2025	2024
SCSB Marketing	\$ 42,327	\$ 44,674
China Travel Service (Taiwan)	821	713
	<u>\$ 43,148</u>	<u>\$ 45,387</u>

### 34.2.10 Loans

June 30, 2025								For the Six Months Ended June 30, 2025	
Category	Name	Maximum Balance	Ending Balance	Performance		Collateral	Interest Rate (%)	Difference of Terms of the Transactions with Unrelated Parties	Interest Income
				Normal Loans	Non-performing Loans				
Loans for personal house mortgages	Directors and related management (3)	\$ 21,673	\$ 20,984	\$ 20,984	-	Real estate	2.18-2.48	None	\$ 244
Others	Directors and related management (5)	109,374	108,161	108,161	-	Real estate	2.18-2.51	None	774
	Directors and related management (3)	1,012	868	868	-	None	2.23-2.54	None	11
	AMK	<u>1,860,320</u>	<u>1,640,240</u>	<u>1,640,240</u>	-	None (Note)	5.80-5.82	None	<u>58,381</u>
		<u>\$1,992,379</u>	<u>\$1,770,253</u>	<u>\$1,770,253</u>					<u>\$ 59,410</u>

December 31, 2024									For the Year Ended December 31, 2024
Category	Name	Maximum Balance	Ending Balance	Performance		Collateral	Interest Rate (%)	Difference of Terms of the Transactions with Unrelated Parties	Interest Income
				Normal Loans	Non-performing Loans				
Loans for personal house mortgages	Directors and related management (3)	\$ 27,576	\$ 21,445	\$ 21,445	-	Real estate	2.06-2.48	None	\$ 528
Others	Directors and related management (7)	119,221	108,997	108,997	-	Real estate	2.06-2.53	None	2,522
	Directors and related management (4)	2,094	1,012	1,012	-	None	2.11-2.55	None	35
	AMK	<u>2,300,340</u>	<u>2,295,300</u>	<u>2,295,300</u>	-	None (Note)	5.82-7.91	None	<u>222,175</u>
		<u>\$2,449,231</u>	<u>\$2,426,754</u>	<u>\$2,426,754</u>					<u>\$ 225,260</u>
June 30, 2024									For the Six Months Ended June 30, 2024
Category	Name	Maximum Balance	Ending Balance	Performance		Collateral	Interest Rate (%)	Difference of Terms of the Transactions with Unrelated Parties	Interest Income
				Normal Loans	Non-performing Loans				
Loans for personal house mortgages	Directors and related management (2)	\$ 18,975	\$ 18,557	\$ 18,557	-	Real estate	1.88-2.21	None	\$ 205
Others	Directors and related management (7)	82,191	76,327	76,327	-	Real estate	1.82-2.39	None	1,051
	Directors and related management (4)	2,094	1,884	1,884	-	None	1.86-2.41	None	23
	AMK	<u>3,308,900</u>	<u>3,293,675</u>	<u>3,293,675</u>	-	None (Note)	7.31	None	<u>107,387</u>
		<u>\$3,412,160</u>	<u>\$3,390,443</u>	<u>\$3,390,443</u>					<u>\$ 108,666</u>

Note: The loan had obtained the approval from FSC, which was applied to Jin-Guan-Yin Letter No.10300258130.

Employee deposits and loans have interest rates that are better than ordinary rates but within regulated limits, while other related party transactions have similar terms as non-related party transactions.

Under the provisions of Articles 32 and 33 of the Banking Act, the Bank shall not make unsecured loans to related party, except for consumer loans under certain limits and government loans. Secured loans to a related party should be fully guaranteed, and the relevant terms should not be superior to other similar credit clients.

#### 34.2.11 Donate

	For the Six Months Ended June 30	
	2025	2024
The SCSB Cultural & Educational Foundation	\$ 13,000	\$ 15,000

#### 34.3 Compensation of directors, supervisors and management personnel

The compensation of key management personnel for the period ended June 30, 2025 and 2024 was as follows:

	For the Six Months Ended June 30	
	2025	2024
Salaries and other short-term employee benefits	\$ 55,878	\$ 55,887
Bonuses and employees' compensation	1,862	7,018
Remuneration of directors	51,628	46,458
Post-employment benefits	11,033	11,475
	<u>\$ 120,401</u>	<u>\$ 120,838</u>

### 35 PLEDGED ASSETS

Under the Central Bank's clearing system of Real-Time Gross Settlement (RTGS), on June 30, 2025, December 31, 2024 and June 30, 2024, the assets listed below had been provided as collateral for day-term overdrafts with the pledged amount adjustable at any time.

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>	<u>Guaranty Purpose</u>
Investments in debt instruments measured at amortized cost	\$ 12,000,000	\$ 12,000,000	\$ 12,000,000	Day-term overdraft with the pledge

On June 30, 2025, December 31, 2024 and June 30, 2024, the assets listed below were provided as refundable deposits for operating guarantees.

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>	<u>Guaranty Purpose</u>
Financial assets at FVTOCI	\$ 476,195	\$ 448,643	\$ 440,754	Operating guarantee

### 36 SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

36.1 In addition to those disclosed in other notes, significant commitments and contingencies of the Bank as of June 30, 2025, December 31, 2024 and June 30, 2024 were as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Assets under trust	\$ 226,531,632	\$ 239,202,432	\$ 231,115,134
Guarantee notes payable	105,153,890	99,753,100	116,484,290
Government bonds in brokerage accounts	36,239,600	31,660,000	46,032,700
Securities in custody	20,097,240	23,060,710	22,146,294
Receivables under custody	20,998,263	22,159,656	21,632,443
Short-term bills in brokerage accounts	1,775,130	1,468,140	2,257,170

#### 36.2 Material litigation

In April, 2024, the Bank was on behalf of the subsidiary, SCB, to announce the receipt of notice from the U.S. Bankruptcy Court that debtors filed a complaint for damages. The plaintiffs (including the debtors) filed a complaint for damages against all defendants, including Shanghai Commercial Bank Ltd, New York Branch and its responsible person and three personnel, as well as the Bank, claimed that they had suffered damages totaling no less than US\$356,000,000 due to breach of contract and fiduciary duty etc. The Bank currently assesses that it will not have a significant impact on its finances and business. Relevant information about the above litigation is available on the Market Observation Post System website of the Taiwan Stock Exchange.

### 37. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The Bank's earning distribution plan of 2024 was resolved by the board of shareholders' meeting on June 13, 2025. The distribution date is July 25, 2025, and the dividend is 1.80 per share with the total amount of \$8,750,886 thousand.

### 38. FINANCIAL INSTRUMENTS

#### 38.1 Fair value information - financial instruments not measured at fair value

##### 38.1.1 Financial assets and liabilities with significant differences between carrying amounts and fair

values.

Except as detailed in the following table, the Bank's management considers that the carrying amounts of financial instruments not measured at fair values are approximates of their fair values or the fair values could not otherwise be reliably measured:

	June 30, 2025		December 31, 2024		June 30, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>						
Investments in debt instruments measured at amortized cost	\$ 200,916,485	\$ 200,858,656	\$ 214,376,343	\$ 214,225,320	\$ 194,898,679	\$ 194,650,228
<b>Financial liabilities</b>						
Bank debentures	47,320,000	47,326,084	48,220,000	48,236,306	52,270,000	52,287,707

### 38.1.2 Fair value level

	June 30, 2025			
	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>				
Investments in debt instruments measured at amortized cost	\$ 200,858,656	\$ 6,313,824	\$ 194,544,832	\$ -
<b>Financial liabilities</b>				
Bank debentures	47,326,084	-	47,326,084	-
	December 31, 2024			
	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>				
Investments in debt instruments measured at amortized cost	\$ 214,225,320	\$ 11,409,888	\$ 202,815,432	\$ -
<b>Financial liabilities</b>				
Bank debentures	48,236,306	-	48,236,306	-
	June 30, 2024			
	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>				
Investments in debt instruments measured at amortized cost	\$ 194,650,228	\$ 15,974,673	\$ 178,675,555	\$ -
<b>Financial liabilities</b>				
Bank debentures	52,287,707	-	52,287,707	-

### 38.1.3 The evaluation method and assumptions used in measuring fair value

The fair value of financial assets and liabilities are determined as follows:

- The fair value of financial assets with standard clauses and terms is quoted market price.
- The fair value of financial instruments other than the above is determined by the discounted cash flow analysis or other generally accepted pricing models.

## 38.2 Fair value information - financial instrument measured at fair value under repetitive basis

### 38.2.1 Fair value level

Information of the financial instruments measured at fair value categorized by level is as follows:

Financial Instruments Measured at Fair Value	June 30, 2025			
	Total	Level 1	Level 2	Level 3
<b>Non-derivative financial instruments</b>				
<b>Assets</b>				
Financial assets measured at FVTPL				
Financial assets mandatorily classified as at FVTPL				
Shares	\$ 372,635	\$ 372,635	\$ -	\$ -
Bonds	2,403,953	2,403,953	-	-
Financial assets at FVTOCI				
Equity instruments	31,288,121	29,652,455	-	1,635,666
Debt instruments	206,534,150	129,799,419	76,734,731	-
	<u>\$ 240,598,859</u>	<u>\$ 162,228,462</u>	<u>\$ 76,734,731</u>	<u>\$ 1,635,666</u>
<b>Liabilities</b>				
Financial liabilities measured at FVTPL	<u>\$ 2,183,625</u>	<u>\$ -</u>	<u>\$ 2,183,625</u>	<u>\$ -</u>
<b>Derivative financial instruments</b>				
<b>Assets</b>				
Financial assets measured at FVTPL	<u>\$ 2,216,246</u>	<u>\$ 681,830</u>	<u>\$ 1,493,578</u>	<u>\$ 40,838</u>
<b>Liabilities</b>				
Financial liabilities measured at FVTPL	<u>\$ 1,828,719</u>	<u>\$ 9,348</u>	<u>\$ 1,771,671</u>	<u>\$ 47,700</u>

Financial Instruments Measured at Fair Value	December 31, 2024			
	Total	Level 1	Level 2	Level 3
<b>Non-derivative financial instruments</b>				
<b>Assets</b>				
Financial assets measured at FVTPL				
Financial assets mandatorily classified as at FVTPL				
Bonds	\$ 695,881	\$ 695,881	\$ -	\$ -
Financial assets at FVTOCI				
Equity instruments	31,007,163	29,053,069	-	1,954,094
Debt instruments	219,408,640	137,575,426	81,833,214	-
	<u>\$ 251,111,684</u>	<u>\$ 167,324,376</u>	<u>\$ 81,833,214</u>	<u>\$ 1,954,094</u>
<b>Liabilities</b>				
Financial liabilities measured at FVTPL	<u>\$ 2,438,063</u>	<u>\$ -</u>	<u>\$ 2,438,063</u>	<u>\$ -</u>
<b>Derivative financial instruments</b>				
<b>Assets</b>				
Financial assets measured at FVTPL	<u>\$ 1,886,808</u>	<u>\$ 559,992</u>	<u>\$ 1,326,816</u>	<u>\$ -</u>
<b>Liabilities</b>				
Financial liabilities measured at FVTPL	<u>\$ 1,290,500</u>	<u>\$ 294</u>	<u>\$ 1,290,206</u>	<u>\$ -</u>

Financial Instruments Measured at Fair Value	June 30, 2024			
	Total	Level 1	Level 2	Level 3
<b>Non-derivative financial instruments</b>				
<b>Assets</b>				
Financial assets measured at FVTPL				
Financial assets mandatorily classified as at FVTPL				
Shares	\$ 297,981	\$ 297,981	\$ -	\$ -
Bonds	1,528,824	1,522,302	6,522	-
Financial assets at FVTOCI				
Equity instruments	34,441,425	32,652,944	-	1,788,481
Debt instruments	223,740,353	130,750,179	92,097,377	892,797
	<u>\$ 260,008,583</u>	<u>\$ 165,223,406</u>	<u>\$ 92,103,899</u>	<u>\$ 2,681,278</u>
<b>Liabilities</b>				
Financial liabilities measured at FVTPL	<u>\$ 2,495,305</u>	<u>\$ -</u>	<u>\$ 2,495,305</u>	<u>\$ -</u>
<b>Derivative financial instruments</b>				
<b>Assets</b>				
Financial assets measured at FVTPL	<u>\$ 2,033,376</u>	<u>\$ 448,338</u>	<u>\$ 1,585,038</u>	<u>\$ -</u>
<b>Liabilities</b>				
Financial liabilities measured at FVTPL	<u>\$ 3,113,623</u>	<u>\$ 1,089</u>	<u>\$ 3,112,534</u>	<u>\$ -</u>

There were no transfers of financial instruments between Level 1 and Level 2 fair value measurement for the six months ended June 30, 2025 and 2024.

### 38.2.2 Reconciliation of Level 3 fair value measurement

#### For the Six Months ended June 30, 2025

Items	Beginning Balance	Amount of Valuation Gain or Loss		Addition		Reduction		Exchange	Ending Balance
		Included in Profit or Loss	Included in Other Comprehensive Income	Buy or Issue	Transferred In	Sell Out, Disposal or Settlement	Transferred Out from Third Level		
Assets									
Financial assets measured at FVTPL	\$ -	\$ 40,838	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,838
Financial assets measured at FVTOCI	\$ 1,954,094	\$ -	\$ (304,953)	\$ -	\$ -	\$ -	\$ -	\$ (13,475)	\$ 1,635,666
Liabilities									
Financial liabilities measured at FVTPL	\$ -	\$ -	\$ 47,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,700

#### For the Six Months ended June 30, 2024

Items	Beginning Balance	Amount of Valuation Gain or Loss		Addition		Reduction		Exchange	Ending Balance
		Included in Profit or Loss	Included in Other Comprehensive Income	Buy or Issue	Transferred In	Sell Out, Disposal or Settlement	Transferred Out from Third Level		
Assets									
Financial assets mandatorily measured at FVTOCI	\$ 1,781,763	\$ -	\$ 16,647	\$ -	\$ 876,150	\$ -	\$ -	\$ 6,718	\$ 2,681,278

### 38.2.3 Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Bonds	Valuation was based on observable market prices or assessed by cash-flow method through observable elements.
Derivatives	Valuation was based on widely-adapted pricing techniques. The inputs were assessed by observable elements in the market.
Others	Valuation was based on observable market prices or assessed by cash-flow method through observable elements.

### 38.2.4 Valuation techniques and inputs applied for Level 3 fair value measurement



The fair value of financial assets classified as Level 3 included but was not limited to bond investments measured at FVTPL, and investments in equity securities measured at FVTOCI.

Most financial instruments with fair value measurements categorized as Level 3 only possess single, unobservable inputs. Non-active market debt instruments possess unobservable inputs. The non-active market equity instruments are independent and, thus, are irrelevant to each other. The table of quantified information of significant unobservable inputs is as follows:

	<b>Fair Value June 30, 2025</b>	<b>Valuation Techniques</b>	<b>Significant Unobservable Inputs</b>	<b>Interval (Weighted-Average)</b>	<b>Notes</b>
Financial assets measured at FVTOCI Shares	\$ 1,635,666	1. Market approach	Market liquidity reduction	10%-19%	1. The higher of the liquidity reduction, and the lower of the fair value .
		2. Net asset value method	Market liquidity reduction	10%-19%	2. The higher of the liquidity reduction, and the lower of the fair value .
Financial assets measured at FVTPL Financial derivatives	40,838	External bank quote	Not applicable	Not applicable	Not applicable
Financial liabilities measured at FVTPL Financial derivatives	47,700	External bank quote	Not applicable	Not applicable	Not applicable

	<b>Fair Value December 31, 2024</b>	<b>Valuation Techniques</b>	<b>Significant Unobservable Inputs</b>	<b>Interval (Weighted-Average)</b>	<b>Notes</b>
Financial assets measured at FVTOCI Shares	\$ 1,954,094	1. Market approach	Market liquidity reduction	10%-19%	1. The higher of the liquidity reduction, and the lower of the fair value .
		2. Net asset value method	Market liquidity reduction	10%-19%	2. The higher of the liquidity reduction, and the lower of the fair value .

	<b>Fair Value June 30, 2024</b>	<b>Valuation Techniques</b>	<b>Significant Unobservable Inputs</b>	<b>Interval (Weighted-Average)</b>	<b>Notes</b>
Financial assets measured at FVTOCI Shares	\$ 1,788,481	1. Market approach	Market liquidity reduction	10%-19%	1. The higher of the liquidity reduction, and the lower of the fair value .
		2. Net asset value method	Market liquidity reduction	10%-19%	2. The higher of the liquidity reduction, and the lower of the fair value .
Bonds	\$ 892,797	Counterparty quote	Not applicable	Not applicable	Not applicable

### 38.2.5 Sensitivity analysis of alternative assumptions of Level 3 fair value measurement

The Bank reasonably measured the fair values of its financial instruments; however, using different valuation models, evaluation methods and underlying assumptions may lead to different results. For financial instruments classified as Level 3 fair value measurements, if the parameters were to go up 1%, the influence on other comprehensive income would be as follows:

#### June 30, 2025

<b>D</b>	Changes in Fair Value Reflected in Profit or Loss		Changes in Fair Value Reflect in Other Comprehensive Income	
	Favorable	Unfavorable	Favorable	Unfavorable
<b>Assets</b>				
<b>Financial assets measured at FVTOCI</b>	\$ -	\$ -	\$ 16,357	\$ (16,357)

#### December 31, 2024

<b>J</b>	Changes in Fair Value Reflected in Profit or Loss		Changes in Fair Value Reflect in Other Comprehensive Income	
	Favorable	Unfavorable	Favorable	Unfavorable
<b>Assets</b>				
<b>Financial assets measured at FVTOCI</b>	\$ -	\$ -	\$ 19,541	\$ (19,541)

#### June 30, 2024

<b>F</b>	Changes in Fair Value Reflected in Profit or Loss		Changes in Fair Value Reflect in Other Comprehensive Income	
	Favorable	Unfavorable	Favorable	Unfavorable
<b>Assets</b>				
<b>Financial assets measured at FVTOCI</b>	\$ -	\$ -	\$ 26,813	\$ (26,813)

## 38.3 Financial risk management

### 38.3.1 Risk management

The Bank's objective in risk management is to establish a risk control mechanism weighing the entire risk of the Bank, restrictions from laws and regulations, to diversify, transfer and avoid risk, and to pursue the maximum benefits of the Bank's customers, shareholders, and employees. The Bank's major risks include credit risk, market risk (interest rate, exchange rate and equity securities), operational risk, liquidity risk and so on.

The Bank established written risk management policies and procedures that are considered and approved by the board of directors to identify, measure, monitor, and control the credit risk, market risk, and liquidity risk.

The Bank's risk management department performs the Bank's risk management activities pursuant to the policies approve by the board of directors. Risk management department works with other business departments in order to identify, evaluate, and avoid any financial risks. The board of directors formulates the written policies for risk management; the policy included specific exposures such as currency risk, interest rate risk, credit risk, operational risk, derivative and non-derivative financial instruments. In addition, the department of internal audit is responsible for independent review of risk management and control environment.

### 38.3.2 Credit risk

Credit risk is the risk of counterparties' failure to fulfill their contractual obligations causing the

Bank's financial losses. Both in-balance-sheet and off-balance-sheet items are exposed to credit risks. For the Bank's credit exposures, in-balance-sheet items mainly consisted of discounts and loans, credit card business, due from and call loans to banks, debt investments, and derivative instruments. Off-balance sheet items mainly consisted of financial guarantee, acceptances, letters of credit, loan commitments, and other services which also generate credit exposure.

To ensure that the credit risk is controlled within a tolerable range, the Bank established an internal standard for credit risk. In that standard, all transactions are analyzed whether in the banking book or in the trading book, and either in-balance-sheet or off-balance-sheet, to identify the inherent and potential risks. The Bank examines and confirms credit risk in accordance with the rules before launching new products and business. Furthermore, the Bank also establishes a risk management system for complicated credit business such as factoring, credit derivative financial instruments and so on.

The Bank's foreign operation units adopt policies and standards same with above to assess their asset quality and provision for contingent loss, and also include policies that comply with the regulations of the local financial supervisory commission.

#### (1) Procedures of credit risk management

Each major business applies procedures and methods for credit risk management as follows:

##### A. Credit business (including loan commitments and guarantees)

###### a. The credit risk has increased significantly after original recognition

The Bank assesses the change in the risk of default over the expected duration of each type of credit asset on each reporting date in order to determine whether the credit risk has increased significantly since original recognition. For this assessment, the Bank's considerations (including forward-looking information) show that the credit risk has increased significantly since original recognition and can be corroborated. The main considerations include:

- i. Changes in internal and external credit ratings (e.g. external TCRI ratings are above the high risk level).
- ii. Information of overdue status (e.g. if the payment is overdue for more than 30 days).
- iii. Unfavorable changes in current or projected operating, financial or economic conditions that are expected to result in significant changes in the ability of the debtor to perform its debt obligations.
- iv. Significant changes in actual or expected results of the debtor's operations.
- v. The credit risk of other financial instruments of the same debtor has increased significantly.

###### b. The definition of default and credit impairment on financial assets

The Bank's definition of default on financial assets is the same as the judgment of credit impairment on financial assets. If one or more of the following conditions are met, the Bank determines that the financial assets have defaulted and have credit impairment:

- i. Changes in internal and external credit ratings (e.g. external TCRI ratings are above the high risk level).
- ii. Information of overdue status (e.g. if the payment is overdue for more than 90 days).
- iii. The debtor has become bankrupt or may file for bankruptcy or financial restructuring.
- iv. The debtor has died or been dissolved.
- v. Contracts of other debt instruments of the debtor have defaulted.
- vi. The active market of the financial assets disappeared due to financial difficulties.
- vii. The debtor's creditor gives the borrower a concession that would not have been considered due to economic or contractual reasons related to the debtor's financial difficulties.
- viii. There is a purchase or initiation of financial assets at a significant discount reflecting that credit losses have occurred.

The aforementioned default and credit impairment definitions apply to all financial assets held by the Bank and are consistent with the definitions used for the internal credit risk management purposes of the financial assets and are applied to the relevant impairment assessment model.

c. Measurement of expected credit loss

For the objective of assessing expected credit loss, credit assets are classified according to the credit risk characteristics (such as the purpose of the borrowing, the nature of the industry, the type of collateral and the state of the borrowing) into two categories: corporate finance and personal finance. Further to this, the credit risk characteristics are divided according to each category.

The 12-month expected credit loss amounts of the Bank's financial instruments whose credit risk has not significantly increased since original recognition are used to measure the allowance loss of the financial instruments; for financial instruments whose credit risk has increased significantly or which have had credit impairment since original recognition, such financial instruments are measured at the amount of full-lifetime expected credit losses.

The estimation method and significant assumptions used to assess expected credit losses have not changed significantly since June 30, 2025.

d. Forward-looking information considerations

When measuring the expected credit losses, the Bank uses forward-looking economic factors that affect credit risk and takes such forward-looking information regarding expected credit losses into consideration. Based on professional economic judgment, the Bank uses the statistical analysis results of GDP growth rate to provide forecast information of economic factors on a quarterly basis and re-evaluates such data on each financial reporting date.

B. Due from and call loans to bank

The Bank assesses the credit position of counterparties and consults a credit rating agency for credit rating information and sets limits to the credit facilities.

C. Debt investments and derivative financial instruments

For the credit risk management of debt investments, the Bank identifies credit risk by using information from external institutions about credit ratings, quality of debts, region, and the risk of counterparties.

Most of the Bank's counterparties in derivative transactions are assessed at higher than investment grade, and the Bank controls the investments according to counterparties' facilities (including call loans); counterparties that do not have credit ratings or are not assessed at investment grade are reviewed case by case. Counterparties which are non-financial or non-banking clients are assessed according to the general procedures for the approval of credit facilities and control of credit exposure situations of the counterparties.

(2) Policies of credit risk hedging or mitigation

A. Collateral

The Bank applies series of policies to decrease credit risks in its lending business. Among those policies is to request collateral from creditors. To secure the creditor's rights, the Bank has established procedures for pledges, valuations, management, and disposals of collateral. The contracts between the Bank and the borrowers clearly state the protocols, including but not limited to the security of credit, procedures for collateral and for offsets. Collateral for business other than loan borrowings vary by the nature of the related financial instruments. Only asset-backed securities and other similar financial instruments are secured by a pool of financial assets.

B. Limitation of credit risk and credit concentration management

The credit policies of the Bank regulate the credit limitations, as applied to a single counterparty or Bank, to avoid excessive credit concentration. The Bank further implements concentration policies, which monitor and manage the credit limitation and concentration in one single counterparty, different enterprises, related parties, industries, and countries. The policies are based on individual criteria in different categories including but not limited to industries, enterprises, and share-pledge related loans.

C. Other mechanisms for credit risk management

To further decrease credit risks, the contracts also proclaim that the Bank may decrease the balances, shorten the maturity period, demand immediate payback, or use borrowers' assets in the Bank to offset their liabilities.

In most circumstances, the Bank applies gross settlement with counterparties. However, to further decrease credit risks, the Bank applies net settlement or even terminates transactions with certain counterparties when default may occur.

The table below analyzes the collateral held as security and other credit enhancements, and their financial effects in respect of the financial assets recognized in the Bank's balance sheet:

## June 30, 2025

Financial instruments subject to IFRS 9 impairment requirements and credit impairment	Book Value	Maximum Exposure to Credit Risk Mitigated by			
		Collateral	Master Netting Arrangement	Other Credit Enhancement	Total
Receivables	\$ 69,446	\$ -	\$ -	\$ -	\$ -
Discounts and loans	3,464,861	2,627,673	-	669,191	3,296,864

## December 31, 2024

Financial instruments subject to IFRS 9 impairment requirements and credit impairment	Book Value	Maximum Exposure to Credit Risk Mitigated by			
		Collateral	Master Netting Arrangement	Other Credit Enhancement	Total
Receivables	\$ 67,136	\$ -	\$ -	\$ -	\$ -
Discounts and loans	2,961,079	1,599,446	-	804,697	2,404,143

## June 30, 2024

Financial instruments subject to IFRS 9 impairment requirements and credit impairment	Book Value	Maximum Exposure to Credit Risk Mitigated by			
		Collateral	Master Netting Arrangement	Other Credit Enhancement	Total
Receivables	\$ 70,118	\$ -	\$ -	\$ -	\$ -
Discounts and loans	5,873,198	2,154,463	-	866,318	3,020,781

### (3) Credit risk exposures

The maximum exposure of the Bank's assets in the balance sheet is equivalent to the book value, while the pledged assets and other credit instruments are not considered. The off-balance sheet items related to the maximum credit exposure (without considering collateral or other credit enhancements and irrevocable maximum exposure) are as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Other guarantees	\$ 69,799,116	\$ 74,977,426	\$ 72,061,850
Issued and non-cancelable loan commitments	12,820,746	15,655,774	15,784,553
Issued but unused letters of credit	6,437,327	6,324,997	7,333,917
Non-cancelable credit card commitments	567,372	586,880	562,748

The Bank assessed that it could continually control and minimize credit risk exposure of off-balance sheet items because it adopts stricter procedures and regularly audits credit accounts.

The total carrying amounts of the financial assets with the largest credit risk exposure are as follows:

	June 30, 2025			
	12-Month ECLs	Lifetime ECLs - Unimpaired	Lifetime ECLs - Impaired	Total
Discounts and loans				
Consumer banking				
-Mortgage	\$ 315,308,361	\$ 1,195,181	\$ 830,010	\$ 317,333,552
-Microcredit	3,102,794	7,470	46,567	3,156,831
-Others	35,687,348	74,702	123,232	35,885,282
Corporate banking				
-Secured	290,853,692	4,893,475	2,153,149	297,900,316
-Unsecured	233,350,157	1,701,505	311,903	235,363,565
Total	\$ 878,302,352	\$ 7,872,333	\$ 3,464,861	\$ 889,639,546
Accounts receivable (including non-performing credit card receivables)				
Credit cards	\$ 2,614,826	\$ 81,006	\$ 62,253	\$ 2,758,085
Others	9,204,220	80,471	7,193	9,291,884
Total	\$ 11,819,046	\$ 161,477	\$ 69,446	\$ 12,049,969
Debt instruments measured at FVTOCI	\$ 209,334,174	\$ 305,191	\$ -	\$ 209,639,365
Investments in debt instruments measured at amortized cost	\$ 200,919,142	\$ -	\$ -	\$ 200,919,142

	December 31, 2024			
	12-Month ECLs	Lifetime ECLs - Unimpaired	Lifetime ECLs - Impaired	Total
Discounts and loans				
Consumer banking				
-Mortgage	\$ 312,696,338	\$ 1,330,173	\$ 667,686	\$ 314,694,197
-Microcredit	3,390,735	18,379	30,847	3,439,961
-Others	36,054,729	116,184	124,000	36,294,913
Corporate banking				
-Secured	291,731,375	4,719,332	1,828,225	298,278,932
-Unsecured	241,437,096	4,231,033	310,321	245,978,450
Total	\$ 885,310,273	\$ 1,415,101	\$ 2,961,079	\$ 898,686,453
Accounts receivable (including non-performing credit card receivables)				
Credit cards	\$ 3,085,606	\$ 97,066	\$ 63,446	\$ 3,246,188
Others	7,744,896	65,380	3,690	7,813,966
Total	\$ 10,830,502	\$ 162,446	\$ 67,136	\$ 11,060,084
Debt instruments measured at FVTOCI	\$ 224,473,902	\$ 406,272	\$ -	\$ 224,880,174
Investments in debt instruments measured at amortized cost	\$ 214,380,433	\$ -	\$ -	\$ 214,380,433

	June 30, 2024			
	12-Month ECLs	Lifetime ECLs - Unimpaired	Lifetime ECLs - Impaired	Total
Discounts and loans				
Consumer banking				
-Mortgage	\$ 301,923,083	\$ 1,415,789	\$ 439,343	\$ 303,778,215
-Microcredit	3,782,482	15,348	33,304	3,831,134
-Others	34,193,098	108,855	47,434	34,349,387
Corporate banking				
-Secured	296,887,673	2,177,683	2,185,339	301,250,695
-Unsecured	234,030,517	883,013	3,167,778	238,081,308
Total	\$ 870,816,853	\$ 4,600,688	\$ 5,873,198	\$ 881,290,739
Accounts receivable (including non-performing credit card receivables)				
Credit cards	\$ 4,144,942	\$ 103,459	\$ 62,584	\$ 4,310,985
Others	9,720,071	66,100	7,534	9,793,705
Total	\$ 13,865,013	\$ 169,559	\$ 70,118	\$ 14,104,690
Debt instruments measured at FVTOCI	\$ 229,390,425	\$ 826,156	\$ -	\$ 230,216,581
Investments in debt instruments measured at amortized cost	\$ 194,903,227	\$ -	\$ -	\$ 194,903,227

#### (4) Information on concentration of credit risk

Concentration of credit risk exists if transaction counterparties are significantly concentrated on same individuals or Banks engaged in activities with similar economic characteristics, which may lead their ability to fulfill contractual obligations being affected by similar changes in economic or other conditions.

Concentration of credit risk can be on assets, liabilities or off-balance sheet items and can arise in the course of the enforcement and implementation of transactions (regardless of products or service) or in the combination of exposures across categories, including credit, due from and call loans to banks, marketable securities, receivables and derivatives, etc. The Bank maintained a diversified loan portfolio to mitigate the credit risk concentration to same customers; total transaction of same customers in discounts and loans and the balance of non-accrual loans are not material. The Bank's most significant concentrations of credit risk of discounts and loans and non-accrual loans by business, region, and collateral were summarized as follows:

##### A. Industry

Sector	June 30, 2025		December 31, 2024		June 30, 2024	
	Amount	%	Amount	%	Amount	%
Private sector	\$ 440,224,344	50	\$ 449,640,051	50	\$ 434,188,899	49
Consumer	395,761,719	44	393,757,069	44	383,786,545	43
Financial institution	50,307,671	6	50,388,186	5	58,770,646	7
Others	3,345,812	-	4,901,147	1	4,544,649	1
	<u>\$ 889,639,546</u>	<u>100</u>	<u>898,686,453</u>	<u>100</u>	<u>881,290,739</u>	<u>100</u>

##### B. Region

Region	June 30, 2025		December 31, 2024		June 30, 2024	
	Amount	%	Amount	%	Amount	%
Taiwan	\$ 795,608,352	89	\$ 787,573,036	88	\$ 771,250,380	87
Asia Pacific except Taiwan	68,578,807	8	80,352,571	9	78,301,286	9
Others	25,452,387	3	30,760,846	3	31,739,073	4
	<u>\$ 889,639,546</u>	<u>100</u>	<u>898,686,453</u>	<u>100</u>	<u>881,290,739</u>	<u>100</u>



## C. Collateral

Collaterals Assumed	June 30, 2025		December 31, 2024		June 30, 2024	
	Amount	%	Amount	%	Amount	%
Unsecured	\$ 238,520,396	27	\$ 249,422,963	28	\$ 241,912,442	27
Secured						
Properties	565,271,208	63	560,252,883	62	549,280,039	62
Guarantee	53,471,788	6	56,796,911	6	61,781,597	7
Financial collateral	20,738,778	2	20,588,175	2	19,817,819	2
Personal properties	2,492,296	1	2,883,481	1	2,718,396	1
Other collateral	9,145,080	1	8,742,040	1	5,780,446	1
	<u>\$ 889,639,546</u>	<u>100</u>	<u>898,686,453</u>	<u>100</u>	<u>881,290,739</u>	<u>100</u>

### (5) Information on credit risk quality

Part of the financial assets held by the Bank, including cash and cash equivalents, due from the Central Bank and call loans to banks, financial assets measured at fair value through profit or loss, investments in bills and bonds with resale agreements, guarantee deposits paid, security businesses, clearing and settlement funds, etc. are assessed with very low credit risk because the counterparties have good credit ratings.

## 38.3.3 Market risk

### (1) The sources and definition of market risk

Market risk is the risk resulting from changes in fair value and future cash flows of on- and off-balance-sheet financial instruments caused by changes in market prices, interest rates, foreign exchange rate, including equity securities price and commodity price. Changes in above risk elements can cause risks to shift the net profit of the Bank or its investment structures.

The Bank's financial instruments are exposed to price, interest rate and foreign exchange rate risks. Major market price risk positions of equity securities include domestic listed shares and funds. Major interest risks include bonds and interest rate derivative instruments such as fixed and floating interest rate swap and bond options whereas the major foreign exchange risks include foreign currency positions held by the Bank.

### (2) Market risk management policies

The Bank monitors its market risk positions and tolerable loss according to the risk management objectives and limits approved by the board of directors.

The Bank also builds a market risk information system, which enables the Bank to effectively monitor the management of facilities, assessment of gains and losses, analysis of sensitivity factors of the Bank's financial instrument positions, etc. The results of the monitoring, assessment and analysis are reported in risk control meetings and serve as references for the decision making of management.

The Bank splits market risk exposure into trading and held for fixed income portfolios which are controlled by both the Bank's operation and risk management sections. Routine control reports are reviewed by the Bank's board of directors and relevant committees.

### (3) Market risk management process

#### A. Recognition and measurement

The Bank's operation and risk management sections both identify market risk factors of exposure positions, which are used to measure market risks. Market risk factors include interest rates, foreign exchange rates and market price of equity securities, and exposures,

gains and losses and sensitivity (DV01, Delta, Beta) etc. Measurement of investment portfolio is affected by interest rate risk, foreign exchange risk and price of equity securities.

B. Monitoring and reporting

The Bank's risk management department regularly reviews market risk management objective, positions and control of gains and losses, sensitivity analysis and pressure test and reports to the board of directors. Therefore, the board of directors could well understand market risk control. The Bank has established explicit notification process, the limit and stop-loss regulation for various transactions. Stop-loss order must be taken when the limit is reached, otherwise the trading department's reasons and plans must be approved by the management, and the department should report to relevant committee regularly.

(4) Interest rate risk management policies

A. Definition of interest rate risk

Interest rate risk represents risks of variation of fair value of trading position and loss in earnings resulting from interest rate variation. Major relevant products include interest rate-related financial securities and derivatives instrument.

B. Purpose of interest risk management

Interest rate risk management enhances the Bank's ability to measure, control and avoid negative influence of interest rate variation on earnings and economic values of balance sheet items. In addition, it enhances capital efficiency and strengthens operation.

C. Procedures of interest risk management

The Bank carefully chooses investment target through conducting research about issuer's credit, financial status, country risks and interest rate trend. The Bank also establishes trading amount limit and stop-loss limit including limit for trading department, trading personnel and trading commodity, etc. according to trading book operation policies and market status which are approved by top management and the board of directors.

The Bank identifies re-pricing risk of interest rate and yield curve risk and measures possible effects on the Bank's earnings and economic values of changes in interest rate. On a monthly basis, the Bank reports the analysis and monitoring of limit on interest rate risk position and various interest rate management objectives to the Strategy Management Committee and the board of directors.

Report to the Strategy Management Committee is required when certain risk management objective has exceeded limit in order to resolve response action.

D. Measurement methods

The Bank measures risks of price reset periods gap from difference in maturity date and price reset date of assets, liabilities, and off-balance sheet items. The Bank also established interest rate sensitivity monitoring index for major periods in order to maintain long-term profitability and business growth. Such interest rate indexes and results of pressure test are reviewed by management personnel periodically. In addition, the Bank regularly measures the impact of interest risk on its investment portfolio using DV01 and assesses the effects of interest rate changes on its earnings and economic value using IRRBB.

(5) Foreign exchange rate risk management

A. Definition of foreign exchange risk

Foreign exchange risk means losses resulting from transferring currencies at different times. The Bank's foreign exchange rate risk results mainly from spot and forward foreign exchange business. The Bank's foreign exchange rate risk is relatively insignificant due to the fact that customers' positions are basically settled immediately on transaction date.

B. Policies, procedures and measurement method for foreign exchange rate risk management

In order to control foreign exchange rate risk within tolerable range, the Bank has established trading limit, stop-loss limit and maximum loss for trading department and trading personnel and the risk is controlled within the tolerable range.

The Bank undertakes pressure test on a seasonal basis and uses 3%-10% fluctuation in major foreign exchange rate (USD) as the sensitivity threshold and reports test results to the Assets and Liabilities Management Committee.

(6) Equity securities price risk management

A. Definition of equity securities price risk

The market risk of equity securities held by the Bank includes individual and general risk from price fluctuation of both individual equity security and the entire equity security market.

B. Purpose of equity security price risk management

The main purpose of equity security price risk management is to prevent financial status from deteriorating and to avoid decrease in earnings due to violent fluctuation in equity security prices, and to enhance capital efficiency and strengthen operation.

C. Procedures of equity security price risk management

The Bank stop-loss point is set according to the policy approved by the assets and Liabilities Management Committee and board of directors. Stop-loss action must be taken when limit is reached, otherwise the investment department must submit request to top management personnel for approval.

D. Measurement method

The Bank's control of security price risk is based on limit of positions held, as well as strict profit and loss monitoring.

(7) Market valuation technique

The Bank assesses its exposures to market risk and the anticipated loss under market pressures by using assumptions on several market position changes. Limits of various financial instruments are set by the board of directors and monitored by the Assets and Liabilities Management Committee. The Bank also performs sensitivity analysis based on major risk factors of various financial products in order to monitor the changes in various market risk factors of financial products.

A. Sensitivity analysis

a. Interest rate risk

The Bank has assessed the possible impact on income and equity if global yield curve move between -1 and +1 basis points simultaneously on June 30, 2025, December 31, 2024 and June 30, 2024.

b. Foreign exchange rate risk

The Bank assesses the possible impact on income and equity when exchange rates of NTD against various currencies fluctuate between -1% and +1% while other factors remain unchanged.

c. Equity securities price risk

The Bank has assessed the possible impact on income and equity when equity security prices on June 30, 2025 December 31, 2024 and June 30, 2024 rise or fall by 1% while other factors remain unchanged.

The analysis assumed that the trends of equity instruments are consistent with historical data.

B. Sensitivity analysis is summarized as follows:

June 30, 2025			
Major Risk	Fluctuation Range	Amount	
		Equity	Profit or Loss
Foreign exchange risk	Foreign currency appreciated 1% against NTD	\$ 871,844	\$ 2,427
	Foreign currency depreciated 1% against NTD	(871,844 )	(2,427 )
Interest rate risk	Interest rate curve edged up 1bp	(60,009 )	(549 )
	Interest rate curve edged down 1bp	60,009	549
Equity price risk	Equity price increased 1%	208,624	(2,938 )
	Equity price decreased 1%	(208,624 )	2,938

December 31, 2024			
Major Risk	Fluctuation Range	Amount	
		Equity	Profit or Loss
Foreign exchange risk	Foreign currency appreciated 1% against NTD	\$ 891,529	\$ 15,838
	Foreign currency depreciated 1% against NTD	(891,529 )	(15,838 )
Interest rate risk	Interest rate curve edged up 1bp	(62,965 )	(59 )
	Interest rate curve edged down 1bp	62,965	59
Equity price risk	Equity price increased 1%	207,596	-
	Equity price decreased 1%	(207,596 )	-

June 30, 2024			
Major Risk	Fluctuation Range	Amount	
		Equity	Profit or Loss
Foreign exchange risk	Foreign currency appreciated 1% against NTD	\$ 852,376	\$ 16,608
	Foreign currency depreciated 1% against NTD	(852,376 )	(16,608 )
Interest rate risk	Interest rate curve edged up 1bp	(65,394 )	(183 )
	Interest rate curve edged down 1bp	65,394	183
Equity price risk	Equity price increased 1%	92,239	4
	Equity price decreased 1%	(92,239 )	(4 )

### 38.3.4 Liquidity risk

(1) The sources and definition of liquidity risk

Liquidity risk is the possibility that the Bank is unable to liquidate assets or obtain financing to fulfill matured financial liabilities which may result in financial loss. Liquidity risk may be

present when, for example, deposits are withdrawn in advance of the original date of settlement, the market becomes worse and borrowing from other banks becomes difficult, the clients' credit deteriorates leading to the occurrence of defaults, liquidation of financial instruments becomes difficult, early redemption of interest-sensitive instruments happens, etc. The aforementioned factors may reduce cash balance to be used in the areas of loans, trading, and investment. In some extreme circumstances, the lack of liquidity may lead to the decrease in the overall assets and liabilities, and the need to liquidate the Bank's assets and the possibility of being unable to fulfill loan commitments. Liquidity risks include inherent risks that may be affected by some specific industry events or overall market condition. These events include but are not limited to credit, merger and acquisitions, systemic breakdown and natural disasters.

(2) The management policies are as follows:

The Bank's management procedures are monitored by the independent department of risk management and the procedures are as follows:

- A. Regular financing and monitoring of cash flows to ensure the fulfillment of the requirements in the future.
- B. Maintaining appropriate position of high liquidity assets which are easily realizable.
- C. Monitoring of liquidity ratios of the balance sheet accounts according to the internal management purposes and external monitoring rules.
- D. Managing the maturity date of debt instruments.

The procedures for monitoring and reporting liquidity risk are applied and measured based on the estimated cash flows (the time gap is based on how the Bank manages the liquidity risk) of 1 day, 10 days, and 1 month. Estimates of future cash flows are based on the maturity analysis of financial assets and liabilities. The risk management department also monitors the use of loan commitment, discount facilities, guarantee letters, and other types of contingent liabilities, and furthermore reports the related information to the risk management committee and the board of directors regularly.

The Bank holds certain position of highly liquid interest-bearing assets to fulfill its obligation and for future needs. To manage the liquidity risk, the Bank holds the following assets: Cash and cash equivalents, due from the Central Bank and banks, and financial assets measured at fair value through profit or loss, etc.

(3) Maturity analysis

The Bank analyzed cash outflows of non-derivative financial liabilities according to the remaining terms from date of the balance sheet to maturity date of the contract. The disclosure of cash outflows of non-derivative financial liabilities is based on the cash flows of contracts so that the items could not correspond with all items in the balance sheet.

June 30, 2025	0-30 days	31-90 days	91-180 days	181 days-1 year	Over 1 year	Total
Due to the central bank and banks	\$ 17,389,080	\$ 582,048	\$ 527,250	\$ 696,135	\$ -	\$ 19,194,513
Financial liabilities measured at FVTPL	-	-	-	-	2,249,185	2,249,185
Securities sold under repurchase agreements	3,367,888	333,155	254,457	-	-	3,955,500
Payables	33,350,235	1,207,799	962,953	494,494	816,183	36,831,664
Deposits and remittances	658,164,168	233,179,417	176,518,493	179,801,738	12,356,281	1,260,020,097
Bank debentures	-	1,000,000	-	-	46,320,000	47,320,000
Other financial liabilities	7,866,616	102,173	84,408	176,765	1,374,380	9,604,342
Lease liabilities	-	1,047	62,318	19,689	692,849	775,903

December 31, 2024	0-30 days	31-90 days	91-180 days	181 days-1 year	Over 1 year	Total
Due to the central bank and banks	\$ 17,263,137	\$ 2,864,606	\$ 487,502	\$ 525,665	\$ -	\$ 21,140,910
Financial liabilities measured at FVTPL	-	-	-	-	2,431,170	2,431,170
Securities sold under repurchase agreements	4,421,134	287,865	74,154	-	-	4,783,153
Payables	23,292,437	808,305	640,500	683,500	833,086	26,257,828
Deposits and remittances	646,439,514	208,648,249	151,074,282	268,179,808	12,245,727	1,286,587,580
Bank debentures	-	-	-	1,000,000	47,220,000	48,220,000
Other financial liabilities	7,389,270	67,298	71,727	136,355	961,446	8,626,096
Lease liabilities	-	515	33,939	30,770	704,631	769,855

June 30, 2024	0-30 days	31-90 days	91-180 days	181 days-1 year	Over 1 year	Total
Due to the central bank and banks	\$ 10,798,061	\$ 515,992	\$ 487,574	\$ 696,134	\$ -	\$ 12,497,761
Financial liabilities measured at FVTPL	-	-	-	-	2,543,756	2,543,756
Securities sold under repurchase agreements	7,282,656	344,098	302,330	-	-	7,929,084
Payables	34,760,250	1,131,696	926,528	441,990	753,251	38,013,625
Deposits and remittances	662,774,778	237,925,340	160,941,055	177,756,920	11,554,953	1,250,953,046
Bank debentures	-	6,900,000	-	-	43,370,000	52,270,000
Other financial liabilities	6,303,787	94,567	59,991	124,437	836,670	7,419,452
Lease liabilities	-	313	4,074	52,217	786,248	842,852

The Bank evaluated the contractual maturity date to comprehend all derivative financial instruments on the balance sheet. Because the maturity analysis of derivative financial liabilities is based on the contractual cash flows, the amounts would not correspond with related items on the balance sheet. Maturity analysis of derivative financial liabilities is as follows:

#### A. Derivative financial liabilities in net settlement

June 30, 2025	0-30 days	31-90 days	91-180 days	181 days-1 year	Over 1 year	Total
Derivative financial liabilities measured at FVTPL						
Foreign exchange derivatives	\$ 69,628	\$ 65,414	\$ 44,270	\$ 52,582	\$ -	\$ 231,894
Interest rate derivatives	2,422	40	107	10,368	331,619	344,556
Equity securities derivatives	9,458	-	-	-	-	9,458

December 31, 2024	0-30 days	31-90 days	91-180 days	181 days-1 year	Over 1 year	Total
Derivative financial liabilities measured at FVTPL						
Foreign exchange derivatives	\$ 32,332	\$ 12,595	\$ 7,044	\$ 54,773	\$ -	\$ 106,744
Interest rate derivatives	232	136	973	425	463,080	464,846

June 30, 2024	0-30 days	31-90 days	91-180 days	181 days-1 year	Over 1 year	Total
Derivative financial liabilities measured at FVTPL						
Foreign exchange derivatives	\$ 31,866	\$ 26,632	\$ 6,245	\$ 25,943	\$ 2,723	\$ 93,409
Interest rate derivatives	1,920	731	2,151	3,821	292,748	301,371
Equity securities derivatives	761	-	-	-	-	761

#### B. Derivative financial liabilities in total settlement

June 30, 2025	0-30 days	31-90 days	91-180 days	181 days-1 year	Over 1 year	Total
Derivative financial liabilities measured at FVTPL						
Foreign exchange derivatives						
Cash inflow	\$ 21,127,512	\$ 11,117,520	\$ 4,631,675	\$ 1,603,128	\$ -	\$ 38,479,835
Cash outflow	21,094,594	11,096,875	4,482,740	1,598,907	-	38,273,116

December 31, 2024	0-30 days	31-90 days	91-180 days	181 days-1 year	Over 1 year	Total
Derivative financial liabilities measured at FVTPL						
Foreign exchange derivatives						
Cash inflow	\$ 24,040,793	\$ 20,809,621	\$ 8,864,149	\$ 4,632,444	\$ -	\$ 58,347,007
Cash outflow	23,567,245	19,975,102	9,158,404	4,863,252	-	57,564,003

June 30, 2024	0-30 days	31-90 days	91-180 days	181 days-1 year	Over 1 year	Total
Derivative financial liabilities measured at FVTPL						
Foreign exchange derivatives						
Cash inflow	\$ 60,601,016	\$ 49,862,490	\$ 11,536,199	\$ 9,530,827	\$ 128,752	\$ 131,659,284
Cash outflow	63,636,942	52,175,025	12,301,670	10,158,143	128,904	138,400,684

The analysis of cash outflows of off-balance sheet items is illustrated according to the remaining terms from date of the balance sheets to maturity date of the contract. For financial guarantee contracts, the largest amount is categorized under the nearest time-zone of being asked to fulfill the guarantees. The disclosure of cash outflows of off-balance-sheet items is based on the cash flows of contracts so that part items could not

correspond with all items in the balance sheet.

June 30, 2025	0-30 days	31-90 days	91-180 days	181 days-1 year	Over 1 year	Total
Other guarantees	\$ 14,032,443	\$ 13,794,867	\$ 10,200,213	\$ 15,034,007	\$ 16,737,586	\$ 69,799,116
Non-cancelable loan commitments	14,964	31,396	1,106,121	645,667	11,022,598	12,820,746
Issued but unused letters of credit	2,231,164	3,434,574	718,680	52,909	-	6,437,327
Non-cancelable credit card commitments	85,049	170,098	255,147	57,078	-	567,372

December 31, 2024	0-30 days	31-90 days	91-180 days	181 days-1 year	Over 1 year	Total
Other guarantees	\$ 25,883,878	\$ 11,733,199	\$ 7,262,938	\$ 12,423,100	\$ 17,674,311	\$ 74,977,426
Non-cancelable loan commitments	-	-	467,339	841,361	14,347,074	15,655,774
Issued but unused letters of credit	1,949,095	3,743,786	234,379	186,395	211,342	6,324,997
Non-cancelable credit card commitments	87,973	175,947	263,920	59,040	-	586,880

June 30, 2024	0-30 days	31-90 days	91-180 days	181 days-1 year	Over 1 year	Total
Other guarantees	\$ 16,301,719	\$ 17,256,319	\$ 7,520,848	\$ 15,200,969	\$ 15,781,995	\$ 72,061,850
Non-cancelable loan commitments	-	35,276	613,622	1,036,714	14,098,941	15,784,553
Issued but unused letters of credit	1,556,411	4,580,051	1,086,478	70,547	40,430	7,333,917
Non-cancelable credit card commitments	84,356	168,712	253,068	56,612	-	562,748

### 38.4 Transfer of financial assets

In the daily transactions of the Bank, most of the transferred financial assets not eligible for full derecognition are repurchase notes and bonds. The cash flows of the transactions have been transferred to outsiders and the liabilities for repurchasing the transferred financial assets in a fixed amount have been recognized; the Bank may repurchase the transferred financial assets in the future. The Bank is not eligible to conduct, sell, or pledge the transferred financial assets during the effective period prior to derecognition. However, the Bank is still exposed to the interest risks and credit risks. As a result, the transferred financial assets are not derecognized. The following tables show the transferred financial assets that are not qualified for derecognition and related financial liabilities.

#### June 30, 2025

Type of Financial Assets	The Book Value of Financial Assets Transferred	The Book Value of Related Financial Liabilities	The Fair Value of Financial Assets Transferred	The Fair Value of Related Financial Liabilities	Net Amount
<b>Financial assets measured at FVTOCI</b>					
Securities sold under repurchase agreements	\$ 3,974,350	\$ 3,955,500	\$ 3,974,350	\$ 3,955,500	\$ 18,850

#### December 31, 2024

Type of Financial Assets	The Book Value of Financial Assets Transferred	The Book Value of Related Financial Liabilities	The Fair Value of Financial Assets Transferred	The Fair Value of Related Financial Liabilities	Net Amount
<b>Financial assets measured at FVTOCI</b>					
Securities sold under repurchase agreements	\$ 4,778,000	\$ 4,783,153	\$ 4,778,000	\$ 4,783,153	\$ (5,153)

#### June 30, 2024

Type of Financial Assets	The Book Value of Financial Assets Transferred	The Book Value of Related Financial Liabilities	The Fair Value of Financial Assets Transferred	The Fair Value of Related Financial Liabilities	Net Amount
<b>Financial assets measured at FVTOCI</b>					
Securities sold under repurchase agreements	\$ 7,925,300	\$ 7,929,084	\$ 7,925,300	\$ 7,929,084	\$ (3,784)

### 39. AVERAGE AMOUNT AND AVERAGE INTEREST RATE OF INTEREST-EARNING ASSETS AND INTEREST-BEARING LIABILITIES

Average amount and average interest rate of interest-earning assets and interest-bearing liabilities that were affected by interest rate fluctuations are as follows:

Average balances were calculated by the daily average balances of interest-earning assets and interest-bearing liabilities.

	<b>For the Six Months Ended June 30, 2025</b>	
	<b>Average Balance</b>	<b>Average Rate (%)</b>
<b>Interest-bearing assets</b>		
Cash and cash equivalents - due from other banks	\$ 13,625,130	0.89
Due from the Central Bank and call loans to banks	89,748,226	2.08
Securities purchased under resell agreements	13,195,720	1.53
Revolving credit card balances	663,391	12.43
Discounts and loans (excluding non-performing loans)	890,706,718	2.86
Financial assets measured at FVTPL	2,111,222	4.40
Financial assets measured at FVTOCI - investments in debt instruments	221,612,950	3.27
Investments in debt instruments measured at amortized cost	186,152,766	1.17

#### **Interest-bearing liabilities**

Due to the central bank and banks	20,787,134	3.39
Financial liabilities measured at FVTPL	2,775,822	6.24
Securities sold under repurchase agreements	4,417,200	1.14
Negotiable certificates of deposit	61,794,706	1.76
Demand deposits	273,869,233	0.58
Savings deposits	206,363,671	0.85
Time deposits	428,483,888	2.24
Time savings	278,773,258	1.70
Bank debentures	48,856,667	1.45
Other financial liabilities	8,686,989	4.85
Lease liabilities	789,411	1.39

	<b>For the Six Months Ended June 30, 2024</b>	
	<b>Average Balance</b>	<b>Average Rate (%)</b>
<b>Interest-bearing assets</b>		
Cash and cash equivalents - due from other banks	\$ 17,798,683	1.00
Due from the Central Bank and call loans to banks	84,312,228	2.67
Securities purchased under resell agreements	8,737,417	1.29
Revolving credit card balances	629,185	12.35
Discounts and loans (excluding non-performing loans)	873,287,408	3.09
Financial assets measured at FVTPL	378,204	2.32
Financial assets measured at FVTOCI - investments in debt instruments	226,351,665	3.35
Investments in debt instruments measured at amortized cost	200,316,704	1.39

#### **Interest-bearing liabilities**

Due to the central bank and banks	13,991,855	3.38
Financial liabilities measured at FVTPL	2,616,941	6.18
Securities sold under repurchase agreements	1,638,191	1.01
Negotiable certificates of deposit	53,172,918	1.52
Demand deposits	282,331,481	0.79
Savings deposits	207,916,185	0.80
Time deposits	457,060,939	2.31
Time savings	247,952,629	1.62
Bank debentures	56,365,054	1.34
Other financial liabilities	6,122,277	4.71
Lease liabilities	756,358	1.08

## **40. CAPITAL MANAGEMENT**

All the Bank's risks were included in the scope of assessment of capital adequacy according to "Regulations Governing the Capital Adequacy". The business objectives and project budget are approved by the board of directors, and furthermore the Bank considered the development strategy, capital adequacy, debt ratio, and dividend policy in its assessments. The contents are included in stress test, estimate of capital adequacy ratio to ensure achieving the objective of capital adequacy and strengthening of the capital



structure.

The Banking Act and related measures stipulate that in order to improve the financial foundation of a bank, the ratio of the Bank's own capital to the risky assets shall not be less than 10.5%, where the actual ratio is lower than the prescribed standard, the authorities may impose limit on its capital surplus distribution.

The Bank conformed to the regulation on capital management as of June 30, 2025, December 31, 2024 and June 30, 2024.

The following table lists the equity capital, risk-weighted assets, and risk exposure:

	June 30, 2025	December 31, 2024	June 30, 2024
Analysis items			
Eligible capital			
Ordinary equity	\$ 112,852,639	\$ 119,172,112	\$ 110,205,030
Other Tier I capital	8,070,000	8,070,000	8,070,000
Tier II capital	21,805,480	23,684,358	25,795,246
Eligible capital	<u>\$ 142,728,119</u>	<u>\$ 150,926,470</u>	<u>\$ 114,070,276</u>
Risk-weighted assets			
Credit risk			
Standardized approach	\$ 837,719,989	\$ 881,755,411	\$ 878,473,475
Credit valuation adjustment (CVA)	2,064,092	2,578,976	70,297
Internal rating based approach	N/A	N/A	N/A
Synthetic securitization	728,155	585,188	739,770
Operational risk			
Basic indicator approach	N/A	52,039,952	49,469,728
Standardized approach/alternative standardized approach	30,591,438	N/A	N/A
Advanced measurement approach	N/A	N/A	N/A
Market risk			
Standardized approach	69,649,910	68,428,041	76,194,050
Internal models approach	N/A	N/A	N/A
Total risk-weighted assets	<u>\$ 940,753,584</u>	<u>\$ 1,005,387,568</u>	<u>\$ 1,004,947,320</u>
Capital adequacy ratio	15.17%	15.01%	14.34%
Ratio of ordinary equity to risk-weighted assets	12.00%	11.85%	10.97%
Ratio of Tier I capital to risk-weighted assets	12.85%	12.66%	11.77%
Leverage ratio	7.61%	7.75%	7.29%

Note 1: Eligible capital and risk-weighted assets are calculated under the "Regulations Governing the Capital Adequacy Ratio of Banks" and "Explanation of Methods for Calculating the Eligible Capital and Risk-weighted Assets of Banks".

Note 2: Formulas used were as follows:

- (1) Eligible capital = Ordinary equity + Other Tier I capital + Tier II capital.
- (2) Total risk-weighted assets = Risk-weighted assets for credit risk + Capital requirements for operational risk and market risk × 12.5.
- (3) Capital adequacy ratio = Eligible capital ÷ Total risk-weighted assets.
- (4) Ratio of ordinary equity to risk-weighted assets = Ordinary equity ÷ Total risk-weighted assets.
- (5) Ratio of Tier I capital to risk-weighted assets = (Ordinary equity + Other Tier I capital) ÷ Total risk-weighted assets.
- (6) Leverage ratio = Net value of tier I capital ÷ Net value of exposure measurement

#### 41. ASSET QUALITY, CONCENTRATION OF CREDIT EXTENSIONS, INTEREST RATE SENSITIVITY, PROFITABILITY AND MATURITY ANALYSIS OF ASSETS AND LIABILITIES

41.1 Assets quality: As stated in Table 1

41.2 Concentration of credit risk

Top 10 credit extensions information of the Bank were as follows:

Ranking (Note 1)	June 30, 2025		
	The Bank		
	Categorized by Sector (Note 2)	Credit Amount (Note 3)	Credit Amount / Stockholders' equity
1	A Group (retail sale of electric and communications equipment)	10,538,038	5.59%
2	B Group (general management agency)	7,285,543	3.86%
3	C Group (real estate development)	6,434,358	3.41%
4	D Group (computer manufacturing)	6,354,622	3.37%
5	E Group (general management agency)	5,860,943	3.11%
6	F Group (electric power supply)	5,608,229	2.97%
7	G Group (manufacture of other computer peripheral equipment)	4,589,985	2.43%
8	H Group (financial leasing)	4,133,278	2.19%
9	I Group (sale and rental with real estate development)	3,975,404	2.11%
10	J Group (financing)	3,840,088	2.04%

Ranking (Note 1)	December 31, 2024		
	The Bank		
	Categorized by Sector (Note 2)	Credit Amount (Note 3)	Credit Amount / Stockholders' equity
1	A Group (retail sale of electric and communications equipment)	10,609,309	5.36%
2	B Group (general management agency)	8,145,220	4.11%
3	E Group (general management agency)	7,507,925	3.79%
4	D Group (computer manufacturing)	6,674,387	3.37%
5	C Group (real estate development)	5,899,702	2.98%
6	F Group (electric power supply)	5,272,437	2.66%
7	H Group (financial leasing)	4,507,372	2.28%
8	K Group (wiring and cable system manufacturing)	4,280,715	2.16%
9	L Group (computer manufacturing)	4,190,660	2.12%
10	M Group (real estate development)	3,895,000	1.97%

Ranking (Note 1)	June 30, 2024		
	The Bank		
	Categorized by Sector (Note 2)	Credit Amount (Note 3)	Credit Amount / Stockholders' equity
1	B Group (general management agency)	8,267,638	4.42%
2	E Group (general management agency)	7,162,250	3.83%
3	A Group (retail sale of electric and communications equipment)	6,009,581	3.21%
4	N Group (real estate and rental and leasing)	5,568,370	2.97%
5	C Group (real estate development)	5,209,889	2.78%
6	F Group (electric power supply)	5,142,339	2.75%
7	O Group (real estate development)	4,774,107	2.55%
8	P Group (manufacture of other computer peripheral equipment)	4,147,344	2.22%
9	D Group (computer manufacturing)	4,045,081	2.16%
10	K Group (wiring and cable system manufacturing)	3,662,970	1.96%

Note 1: The top 10 credit extensions ranking is made by total credit balance, which excluded government-owned or state-run enterprises. If the borrower is an affiliate of the Bank enterprise, the credit balance of the borrower is then aggregated to the Bank enterprise's credit balance. The borrower is marked by specific codes as well as its major industry. The major industry of a borrower is determined by its maximum exposures by industries. The classification of industry should be in line with the Standard Industrial Classification System of Taiwan published by the Directorate General of Budget, Accounting and Statistics under the Executive Yuan.

Note 2: "Bank Enterprise" conforms to the definition of Article 6 in "Supplementary Provisions to the Taiwan Stock Exchange Corporation Rules for Review of Securities Listings."

Note 3: Credit balance includes each item of loan (including import bill negotiated, export bill negotiated, discounts, overdrafts, short-term loans, short-term secured loans, marginal receivables, medium-term loans, medium-term secured loans, long-term loans, long-term secured loans and non-performing loans), exchange bills negotiated, accounts receivable - without recourse factoring, acceptances receivable and grantees issued.

#### 41.3 Interest rate sensitivity information

##### Interest Rate Sensitivity (NTD)

June 30, 2025					
Items	1 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate sensitive assets	\$ 962,087,151	\$ 39,394,203	\$ 10,053,771	\$ 63,283,654	\$ 1,074,818,779
Interest rate sensitive liabilities	277,113,012	507,573,560	169,092,318	57,816,705	1,011,595,595
Interest rate sensitivity gap	684,974,139	(468,179,357)	(159,038,547)	5,466,949	63,223,184
Net equity					187,311,392
Ratio of interest rate sensitive assets to liabilities					106.25%
Ratio of interest rate sensitivity gap to net equity					33.75%

December 31, 2024					
Items	1 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate sensitive assets	\$ 950,038,912	\$ 44,785,769	\$ 7,543,042	\$ 67,167,090	\$ 1,069,534,813
Interest rate sensitive liabilities	207,488,958	497,525,190	247,455,775	55,601,032	1,008,070,955
Interest rate sensitivity gap	742,549,954	(452,739,421)	(239,912,733)	11,566,058	61,463,858
Net equity					197,928,663
Ratio of interest rate sensitive assets to liabilities					106.10%
Ratio of interest rate sensitivity gap to net equity					31.05%

June 30, 2024					
Items	1 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate sensitive assets	\$ 900,851,586	\$ 48,114,036	\$ 16,014,550	\$ 69,077,379	\$ 1,034,057,551
Interest rate sensitive liabilities	274,249,898	488,055,201	168,133,822	52,659,436	983,098,357
Interest rate sensitivity gap	626,601,688	(439,941,165)	(152,119,272)	16,417,943	50,959,194
Net equity					187,228,489
Ratio of interest rate sensitive assets to liabilities					105.18%
Ratio of interest rate sensitivity gap to net equity					27.22%

Note 1: The tables above refer only to the financial assets/liabilities denominated in NT dollars held by the whole bank, excluded contingent assets and liabilities.

Note 2: Interest rate-sensitive assets/liabilities refer to financial assets/liabilities which returns are driven by interest rate fluctuations.

Note 3: Interest rate sensitivity gap = Interest rate-sensitive assets - Interest rate-sensitive liabilities.

Note 4: Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets ÷ Interest rate-sensitive liabilities. (The interest rate-sensitive assets and liabilities are in the NT dollars).

#### Interest Rate Sensitivity (USD)

June 30, 2025					
Items	1 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate sensitive assets	\$ 8,310,276	\$ 147,619	\$ -	\$ -	\$ 8,457,895
Interest rate sensitive liabilities	4,026,668	3,710,588	440,119	131,340	8,308,715
Interest rate sensitivity gap	4,283,608	(3,562,969)	(440,119)	(131,340)	149,180
Net equity					6,395,063
Ratio of interest rate sensitive assets to liabilities					101.80%
Ratio of interest rate sensitivity gap to net equity					2.33%

December 31, 2024					
Items	1 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate sensitive assets	\$ 8,366,694	\$ 87,857	\$ -	\$ -	\$ 8,454,551
Interest rate sensitive liabilities	3,932,382	3,444,223	708,203	152,882	8,237,690
Interest rate sensitivity gap	4,434,312	(3,356,366)	(708,203)	(152,882)	216,861
Net equity					6,036,251
Ratio of interest rate sensitive assets to liabilities					102.63%
Ratio of interest rate sensitivity gap to net equity					3.58%

June 30, 2024					
Items	1 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate sensitive assets	\$ 8,400,996	\$ 90,767	\$ -	\$ -	\$ 8,491,763
Interest rate sensitive liabilities	3,530,659	3,797,408	426,055	122,921	7,877,043
Interest rate sensitivity gap	4,870,337	(3,706,641)	(426,055)	(122,921)	614,720
Net equity					5,769,753
Ratio of interest rate sensitive assets to liabilities					107.80%
Ratio of interest rate sensitivity gap to net equity					10.65%

Note 1: The tables above refer only to the financial assets/liabilities denominated in US dollars held by the whole bank, excluded contingent assets and liabilities.

Note 2: Interest rate-sensitive assets/liabilities refer to financial assets/liabilities which returns are driven by interest rate fluctuations.

Note 3: Interest rate sensitivity gap = Interest rate-sensitive assets - Interest rate-sensitive liabilities.

Note 4: Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets ÷ Interest rate-sensitive liabilities. (The interest rate-sensitive assets and liabilities are in the US dollars).

#### 41.4 Profitability

Unit: %

Items		June 30, 2025	June 30, 2024
Return on total assets	Before income tax	1.10	0.90
	After income tax	0.98	0.73
Return on equity	Before income tax	9.14	7.69
	After income tax	8.10	6.26
Profit margin		53.39	42.34

Note 1: Return on total assets = Income before (after) income tax ÷ Average total assets.

Note 2: Return on equity = Income before (after) income tax ÷ Average equity.

Note 3: Profit margin = Income after income tax ÷ Total net revenue.

Note 4: Income before (after) income tax represents income YTD.

#### 41.5 Maturity analysis of assets and liabilities

##### (1) In Thousands of New Taiwan Dollars

	Total	June 30, 2025					
		For remaining period to maturity date					
		0 to 10 Days	11 to 30 Days	31 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year
Major cash inflow on maturity	\$ 1,164,061,142	\$ 182,002,609	\$ 103,448,410	\$ 61,446,506	\$ 67,326,569	\$ 122,641,511	\$ 627,195,537
Major cash outflow on maturity	1,480,512,118	52,916,931	83,883,074	220,650,700	214,540,474	292,420,604	616,100,335
Gap	(316,450,976)	129,085,678	9,565,336	(159,204,194)	(147,213,905)	(169,779,093)	11,095,202

	Total	December 31, 2024					
		For remaining period to maturity date					
		0 to 10 Days	11 to 30 Days	31 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year
Major cash inflow on maturity	\$ 1,158,218,026	\$ 194,906,722	\$ 75,782,963	\$ 64,806,151	\$ 78,605,971	\$ 116,816,862	\$ 627,299,357
Major cash outflow on maturity	1,471,648,619	34,001,103	51,864,437	190,920,187	198,082,293	369,928,617	626,851,982
Gap	(313,340,593)	160,905,619	24,008,526	(126,114,036)	(119,476,322)	(253,111,755)	447,375

	Total	June 30, 2024					
		For remaining period to maturity date					
		0 to 10 Days	11 to 30 Days	31 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year
Major cash inflow on maturity	\$1,128,663,300	\$ 155,539,929	\$ 97,982,160	\$ 65,998,774	\$ 71,993,265	\$ 120,443,284	\$ 616,705,888
Major cash outflow on maturity	1,483,066,258	55,643,194	91,948,651	286,049,087	271,467,255	242,210,736	535,747,335
Gap	(354,402,958)	99,896,735	6,033,509	(220,050,313)	(199,473,990)	(121,767,452)	80,958,553

Note: This table includes only financial assets/liabilities denominated in New Taiwan dollars held by the head office and domestic branches.

##### (2) In Thousands of US dollars

	Total	June 30, 2025				
		For remaining period to maturity date				
		0 to 30 Days	31 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year
Major cash inflow on maturity	\$ 13,057,941	\$ 1,892,148	\$ 1,239,442	\$ 724,396	\$ 706,343	\$ 8,495,612
Major cash outflow on maturity	12,450,297	2,885,241	2,952,664	2,319,073	2,737,835	1,558,484
Gap	607,644	(990,093)	(1,713,222)	(1,594,677)	(2,031,492)	6,937,128

	Total	December 31, 2024				
		For remaining period to maturity date				
		0 to 30 Days	31 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year
Major cash inflow on maturity	\$ 12,554,136	\$ 1,683,776	\$ 1,029,325	\$ 837,965	\$ 652,254	\$ 8,350,816
Major cash outflow on maturity	13,002,410	3,085,667	3,085,941	2,085,109	3,212,888	1,532,805
Gap	(448,274)	(1,401,891)	(2,056,616)	(1,247,144)	(2,560,634)	6,818,011

	Total	June 30, 2024				
		For remaining period to maturity date				
		0 to 30 Days	31 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year
Major cash inflow on maturity	\$ 12,855,578	\$ 1,812,660	\$ 997,034	\$ 707,281	\$ 873,287	\$ 8,465,316
Major cash outflow on maturity	14,367,310	3,116,815	2,786,842	2,033,058	2,000,536	4,430,059
Gap	(1,511,732)	(1,304,155)	(1,789,808)	(1,325,777)	(1,127,249)	4,035,257

Note: This table includes only financial assets/liabilities denominated in US dollars held by the head office, domestic branches and OBU.

## 42. THE CONTENTS AND AMOUNTS OF TRUST ACTIVITIES BY PROCESSING TRUST ENTERPRISE ACT

The trust account balance sheets, income statements and the details of trust assets are as follows:

### Balance Sheet of Trust Account

Trust Assets	June 30, 2025	December 31, 2024	June 30, 2024	Trust Liabilities	June 30, 2025	December 31, 2024	June 30, 2024
Bank deposits	\$ 8,238,845	\$ 9,398,671	\$ 9,809,202	Accounts payable	\$ 174	\$ 153	\$ 151
Short-term investments	110,940,417	113,616,213	111,169,850	Depository of securities payable	53,769,040	64,659,295	63,060,691
Net asset value of collective investment trust funds	3,438,782	6,547,258	6,519,140	Trust capital	172,634,197	174,496,334	168,080,999
Accounts receivable	23,488	8,478	35,682	Accumulated (loss) gain and equity	139,077	46,650	(25,948)
Land	34,128,842	32,279,034	31,193,693				
Buildings and improvements, net	89,802	121,789	88,518				
Construction in progress	15,851,025	12,509,453	9,178,644				
Securities in custody	53,769,040	64,659,295	63,060,691				
Other assets	62,247	62,241	60,473				
Total trust assets	\$ 226,542,488	\$ 239,202,432	\$ 231,115,893	Total trust liabilities	\$ 226,542,488	\$ 239,202,432	\$ 231,115,893

### Trust Asset Lists

Items	June 30, 2025	December 31, 2024	June 30, 2024
Cash in banks	\$ 8,238,845	\$ 9,398,671	\$ 9,809,202
Short-term investments			
Funds	63,998,232	66,488,927	66,574,871
Bonds	37,315,325	37,425,076	34,626,920
Common stocks	4,360,947	4,443,794	4,413,754
Structured instruments	5,093,123	5,087,736	5,359,087
Preferred stock	172,790	170,680	195,218
Net asset value of collective trust accounts	3,438,782	6,547,258	6,519,140
Receivables	23,488	8,478	35,682
Land	34,128,842	32,279,034	31,193,693
Buildings and improvements, net	89,802	121,789	88,518
Construction in progress	15,851,025	12,509,453	9,178,644
Depository of securities	53,769,040	64,659,295	63,060,691
Other assets - principal deferred expense	62,247	62,241	60,473
Total	\$ 226,542,488	\$ 239,202,432	\$ 231,115,893

## Income Statements of Trust Account

	<b>For the Six Months Ended June 30</b>	
	<b>2025</b>	<b>2024</b>
Trust income		
Dividend income	\$ 2,491	\$ 1,626
Interest revenue	43,707	32,881
Donation income	949	35
Realized investment gains	11,725	14,629
Unrealized investment gains	144,660	266,924
Other revenue	<u>38,389</u>	<u>16,402</u>
	<u>241,921</u>	<u>332,497</u>
Trust expenses		
Tax expenditures	3,169	1,817
Management expenses	4,360	4,020
Service expenses	524	683
Realized investment losses	161	3,828
Unrealized investment losses	86,800	357,383
Donation expenses	759	-
Other expenses	<u>1,443</u>	<u>1,245</u>
	<u>97,216</u>	<u>368,976</u>
Income (loss) before income tax	144,705	(36,479)
Income tax expense	<u>(16)</u>	<u>(19)</u>
Net income	<u>\$ 144,689</u>	<u>\$ (36,498)</u>

### 43. EXCHANGE RATE INFORMATION OF FOREIGN FINANCIAL ASSETS AND LIABILITIES

The information regarding significant financial assets/liabilities denominated in foreign currencies held by the Bank was as follows:

	(In Thousands of Foreign Currencies)								
	June 30, 2025			December 31, 2024			June 30, 2024		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars	Foreign Currencies	Exchange Rate	New Taiwan Dollars	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<b>Finance assets</b>									
Monetary items									
Cash and cash equivalents									
USD	\$ 152,518	29.2900	\$ 4,467,252	\$ 94,685	32.7900	\$ 3,104,721	\$ 96,287	32.4500	\$ 3,124,513
JPY	12,956,015	0.2035	2,636,549	21,229,026	0.2099	4,455,973	30,663,244	0.2016	6,181,710
HKD	661,549	3.7310	2,468,239	125,494	4.2235	530,023	129,049	4.1555	536,264
Due from the Central Bank and call loans to banks									
USD	847,204	29.2900	24,814,605	777,084	32.7900	25,480,584	820,384	32.4500	26,621,461
CNY	535,750	4.0900	2,191,218	896,950	4.4790	4,017,439	727,450	4.4450	3,233,515
VND	980,000,000	0.0011	1,100,344	1,220,000,000	0.0013	1,568,066	890,000,000	0.0013	1,134,928
Receivables									
USD	110,116	29.2900	3,225,298	47,318	32.7900	1,551,557	82,267	32.4500	2,669,564
JPY	809,271	0.2035	164,687	3,231,376	0.2099	697,157	1,264,084	0.2016	254,839
EUR	4,657	34.3600	160,015	2,792	34.1300	95,291	1,399	34.7100	48,553
Discounts and loans									
USD	3,550,829	29.2900	104,003,781	3,554,727	32.7900	116,559,498	3,566,697	32.4500	115,414,818
CNY	2,731,291	4.0900	11,170,980	2,763,883	4.4790	12,379,432	2,572,398	4.4450	11,434,309
JPY	18,176,902	0.2035	3,699,000	23,335,680	0.2099	4,898,159	10,209,495	0.2016	2,058,234
Financial assets at FVTOCI									
USD	3,679,637	29.2900	107,766,568	3,719,363	32.7900	121,957,913	3,609,038	32.4500	117,113,283
AUD	711,943	19.1450	13,630,149	580,549	20.3800	11,831,589	629,397	21.5250	13,547,770
EUR	156,672	34.3600	5,383,250	-	34.1300	-	-	34.7100	-
Investment in debt instruments measured at amortized cost									
USD	113,712	29.2900	3,330,624	208,452	32.7900	6,835,141	341,261	32.4500	11,073,919
AUD	100,000	19.1450	1,914,500	180,000	20.3800	3,668,400	180,000	21.5250	3,874,500
SGD	46,646	22.9950	1,072,625	39,803	24.1200	960,048	48,915	23.9100	1,169,558
Financial assets at FVTPL									
USD	77,574	29.2900	2,272,142	28,703	32.7900	941,171	80,263	32.4500	2,604,534
EUR	20,022	34.3600	687,956	112	34.1300	3,816	1,622	34.7100	56,300
JPY	1,895,787	0.2035	385,793	1,356,585	0.2099	284,747	2,220,667	0.2016	447,686
Non-monetary items									
Equity investments under the equity method									
USD	3,136,140	29.2900	91,857,541	3,010,678	32.7900	98,720,132	2,902,376	32.4500	94,182,101
HKD	116,117	3.7310	433,233	110,218	4.2235	465,504	103,759	4.1555	431,171
<b>Finance liabilities</b>									
Monetary items									
Payables									
USD	126,797	29.2900	3,713,884	82,220	32.7900	2,695,994	135,965	32.4500	4,412,064
EUR	8,233	34.3600	282,886	2,405	34.1300	82,083	1,200	34.7100	41,640
JPY	1,146,048	0.2035	233,221	924,017	0.2099	193,951	1,532,831	0.2016	309,019
Central Bank and interbank deposits									
USD	627,784	29.2900	18,387,793	350,052	32.7900	11,478,205	95,689	32.4500	3,105,108
EUR	73,200	34.3600	2,515,152	5,414	34.1300	184,782	13,000	34.7100	451,230
VND	1,435,000,000	0.0011	1,611,218	2,084,000,000	0.0013	2,678,565	1,290,000,000	0.0013	1,645,008
Deposits and remittances									
USD	7,734,250	29.2900	226,536,183	7,721,088	32.7900	253,174,476	7,603,681	32.4500	246,739,448
JPY	93,062,046	0.2035	18,938,126	140,024,171	0.2099	29,391,073	178,848,742	0.2016	36,055,906
CNY	3,935,522	4.0900	16,096,285	3,825,535	4.4790	17,134,571	3,794,565	4.4450	16,866,841
Financial liabilities at FVTPL									
USD	104,470	29.2900	3,059,926	93,675	32.7900	3,071,603	116,621	32.4500	3,784,351
AUD	3,125	19.1450	59,828	56	20.3800	1,148	78,160	21.5250	1,682
CNY	3,890	4.0900	15,910	24	4.4790	107	108	4.4450	478

## 44. ADDITIONAL DISCLOSURES

Information of significant transaction items 44.1 and other business investment 44.2 is as follows:

44.1.1 Financing provided: Table 2.

44.1.2 Endorsement/guarantee provided: The Bank - not applicable; investees - not applicable or none.

44.1.3 Marketable securities held: Table 3.

44.1.4 Marketable securities (for investees) or investee investment (for the Bank) acquired and disposed of, at costs or prices of at least NT\$300 million or 10% of the issued capital: none; investees - not applicable or none.

44.1.5 Acquisition of individual real estate at costs of at least \$300 million or 10% of the issued capital: Table 4.



- 44.1.6 Disposal of individual real estate at prices of at least \$300 million or 10% of the issued capital: None.
- 44.1.7 Allowance for service fees to related-parties amounting to more than \$5 million: None.
- 44.1.8 Receivables from related parties amounting to at least \$300 million or 10% of the issued capital: None.
- 44.1.9 Sale of non-performing loans: Table 5.
- 44.1.10 Application for approval of securitization product types and information according to Financial Asset Securitization Clause of the Real State Securitization Act: None.
- 44.1.11 Other significant transactions which may have effects on decision making of financial statement users: None.
- 44.1.12 Names, locations, and other information of investees on which the Bank exercises significant influence: Table 6.
- 44.1.13 Derivative financial transactions: Note 9 on which the Bank exercises significant influence has no such transaction.

44.3 Investments in mainland China are as follows:

- 44.3.1 Name of the investees in mainland China, main businesses and products, paid-in capital, method of investment, information on inflow or outflow of capital, percentage of ownership, investment income or loss, ending balance of investment, dividends remitted by the investee, and the limit of investment in mainland China: Table 7.
- 44.3.2 Significant direct or indirect transactions with the investees, prices and terms of payment, unrealized gain or loss: None.

- 44.4 Information of major shareholders:  
list all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 8.

## 45. SEGMENT INFORMATION

According to the Article 23 of “Regulations Governing the Preparation of Financial Reports by Public Banks”, the Bank does not prepare the segment information of IFRS 8.

TABLE 1

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

OVERDUE LOANS AND RECEIVABLES  
JUNE 30, 2025, DECEMBER 31, 2024 AND JUNE 30, 2024  
(In Thousands of New Taiwan Dollars, %)

Date		June 30, 2025					December 31, 2024					June 30, 2024					
Business		Overdue Loans (Note 1)	Loans	NPL Ratio (%) (Note 2)	Loan Loss Reserve(LLR)	Coverage Ratio (Note 3)	Overdue Loans (Note 1)	Loans	NPL Ratio (%) (Note 2)	Loan Loss Reserve(LLR)	Coverage Ratio (Note 3)	Overdue Loans (Note 1)	Loans	NPL Ratio (%) (Note 2)	Loan Loss Reserve(LLR)	Coverage Ratio (Note 3)	
Corporate banking	Secured	2,040,391	297,900,316	0.68	4,036,249	197.82	1,266,590	298,278,932	0.42	3,404,233	268.77	2,079,320	301,250,695	0.69	3,696,414	177.77	
	Unsecured	202,986	235,363,565	0.09	2,458,815	1,211.32	182,754	245,978,450	0.07	2,520,594	1,379.23	2,935,761	238,081,308	1.23	4,446,410	151.46	
Consumer banking	Mortgage (Note 4)		830,010	317,333,552	0.26	5,185,930	624.80	667,686	314,694,197	0.21	4,939,240	739.75	439,343	303,778,214	0.14	4,698,980	1,069.55
	Cash cards		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Microcredit (Note 5)		27,987	3,156,831	0.89	46,070	164.61	14,735	3,439,961	0.43	39,302	266.73	15,846	3,831,134	0.41	43,523	274.66
	Others (Note 6)	Secured	123,230	35,885,282	0.34	422,706	343.02	124,000	36,294,913	0.34	404,209	325.98	47,313	34,349,388	0.14	359,056	758.90
		Unsecured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		3,224,604	889,639,546	0.36	12,149,770	376.78	2,255,765	898,686,453	0.25	11,307,578	501.27	5,517,583	881,290,739	0.63	13,244,383	240.04	
		Overdue Loans (Note 1)	Accounts Receivable	Delinquency Ratio (%) (Note 2)	Allowance for Credit Losses	Coverage Ratio (Note 3)	Overdue Loans (Note 1)	Accounts Receivable	Delinquency Ratio (%) (Note 2)	Allowance for Credit Losses	Coverage Ratio (Note 3)	Overdue Loans (Note 1)	Accounts Receivable	Delinquency Ratio (%) (Note 2)	Allowance for Credit Losses	Coverage Ratio (Note 3)	
Credit cards		7,412	2,828,063	0.26	50,561	682.15	9,313	3,320,790	0.28	50,304	540.15	9,723	4,436,340	0.22	58,571	602.40	
Accounts receivable factored without recourse (Note 7)		-	264,786	-	2.648	-	-	228,353	-	2,284	-	-	308,587	-	3,086	-	

- Note 1: Non-performing loans represent the amounts of non-performing loans reported to the authorities and disclosed to the public, as required by the “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrued Loans.” Non-performing credit card receivables represent the amounts of non-performing receivables reported to the authorities and disclosed to the public, as required by the Banking Bureau’s letter dated July 6, 2005 (Ref. No. 0944000378).
- Note 2: Ratio of non-performing loans: Non-performing loans ÷ Outstanding loan balance.  
Ratio of non-performing credit card receivables: Non-performing credit card receivables ÷ Outstanding credit card receivables balance.
- Note 3: Coverage ratio of loans: Allowance for possible losses on loans ÷ Non-performing loans.  
Coverage ratio of credit card receivables: Allowance for possible losses on credit card receivables ÷ Non-performing credit card receivables.
- Note 4: Housing mortgage is fully secured by property, which is purchased (owned) by the borrower, the spouse or the minor children of the borrower and the rights on mortgage are pledged to the financial institution, for the purpose of purchasing or decorating property.
- Note 5: Small scale credit loans, as categorized in accordance with the Banking Bureau’s letter dated December 19, 2005 (Ref. No. 09440010950), are unsecured loans with small amounts exclusive of credit cards and cash cards.
- Note 6: Other loans of consumer banking refer to secured or unsecured loans exclusive of housing mortgage, cash card, small scale credit loans and credit card.
- Note 7: As required by the Banking Bureau’s letter dated July 19, 2005 (Ref. No. 0945000494), factoring without recourse is disclosed as non-performing receivables in three months after the factors or insurance companies reject indemnification.

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

OVERDUE LOANS AND RECEIVABLES  
JUNE 30, 2025, DECEMBER 31, 2024 AND JUNE 30, 2024  
(In Thousands of New Taiwan Dollars)

	June 30, 2025		December 31, 2024		June 30, 2024	
	Excluded NPL	Excluded Overdue Receivables	Excluded NPL	Excluded Overdue Receivables	Excluded NPL	Excluded Overdue Receivables
As a result of debt consultation and loan agreements (Note 1)	-	-	-	-	-	-
As a result of consumer debt clearance (Note 2)	-	32,768	-	32,588	-	30,159

Note 1: The disclosure of excluded NPLs and excluded overdue receivables resulting from debt consultation and loan agreements is based on the Banking Bureau’s letter dated April 25, 2006 (Ref. No. 09510001270).

Note 2: The disclosure of excluded NPLs and excluded overdue receivables resulting from consumer debt clearance is based on the Banking Bureau’s letter dated September 15, 2008 (Ref. No. 09700318940) and September 20, 2016 (Ref. No. 10500134790).

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

LOANS AND OTHER INFORMATION  
JUNE 30, 2025  
(In Thousands of New Taiwan Dollars)

Information of Lenders, Borrowers and Others

No (Note 1)	Lender	Borrower	Corresponding Account	Related Parties	The Highest Period Balance	Ending Balance	Actual Amount	Interest Rate Range	Capital Loan (Note 2)	Business Dealing Amount	Reasons of Short-term Financing	Allowance	Collateral		Individual Fund Loan and Limit (Note 3)	Total Loan Limit (Note 3)
													Name	Value		
1	SCSB Leasing (China) Co., Ltd.	A Co., Ltd.	Entrusted loan receivables	N/A	\$ 73,620	\$ 122,700	\$ 6,135	6%~11%	1	\$ 6,135	-	\$ 3,681	Real estate	\$ 246,627	\$ 352,943	\$ 882,357

Note 1: The numbers refer to the following:

- (1) Issuer is 0.
- (2) Investees are numbered sequentially starting from 1.

Note 2: The nature of capital loans corresponds to the following values:

- (1) 1 for business dealing.
- (2) 2 for reasons of short-term financing facility.

Note 3: The amounts and calculation of the loan limit are as follows:

1. Individual fund loans and limits

- (1) For an enterprise or organization that has no business relationship with the lender but has short-term financing facility, the loan amount to the single enterprise or organization shall not exceed 40% of the net value as presented in the latest financial statements of the lender as audited by the accountant.
- (2) For an enterprise or organization that has no business dealings with the lender but has short-term financing facility, the loan amount to the single enterprise or organization shall not exceed 20% of the net value as presented in the latest financial statements of the lender as audited by the accountant.

2. Capital loans and total loan limits

- (1) For an enterprise or organization that has no business dealings with the lender but has short-term financing facility, the total accumulated loan balance of the single enterprise or organization shall not exceed twice the net value as presented in the latest financial statements of the lender as audited by the accountant.
- (2) For an enterprise or organization that has no business dealings with the lender but has short-term financing facility, the total accumulated loan balance of the single enterprise or organization shall not exceed 40% of the net value as presented in the latest financial statements of the lender as audited by the accountant.

The total accumulated loan balance of the above two parties shall not exceed twice the net value as presented in the latest financial statements of the lender as audited by the accountant.

**TABLE 3**

**THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES**

**MARKETABLE SECURITIES HELD  
JUNE 30, 2025**

**(In Thousands of New Taiwan Dollars)**

Holding Company Name	Name	Security Issuer's Relationship with Holding Company	Financial Statement Account	June 30, 2024				Note
				Shares (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
Shancom Reconstruction AG	Empresa Inversiones Generales, S.A.	Indirect subsidiary	Investments in subsidiaries	1	\$ 20,935	100.00	\$ 20,935	
	Krinein Company	Indirect subsidiary	Investments in subsidiaries	2	30,242	100.00	30,242	
	Safehaven Investment Corporation	Indirect subsidiary	Investments in subsidiaries	1	53,291	100.00	53,291	
	Shanghai Commercial & Savings Bank, Ltd	The Bank	Financial assets measured at FVTOCI	11,370	527,550	0.23	527,550	
Wresqueue Limitada	Prosperity Realty Inc.	Indirect subsidiary	Investments in subsidiaries	4	43,141	100.00	43,141	
China Travel Service (Taiwan)	Silks Place Taroko	-	Equity investments under the equity method	20,372	195,186	45.00	195,186	
	CTS Travel International Ltd.	Indirect subsidiary	Investments in subsidiaries	600	7,024	100.00	7,024	
	Joy Tour Service Co., Ltd.	-	Financial assets measured at FVTOCI	100	393	11.00	393	
	Shanghai Commercial & Savings Bank, Ltd.	The Bank	Financial assets measured at FVTOCI	27	1,291	-	1,291	
SCSB Asset Management Ltd.	SCSB Leasing (China) Co., Ltd.	Indirect subsidiary	Investments in subsidiaries	N/A	865,078	100.00	865,078	
	Fubon Financial Holding Co., Ltd. Preferred Shares C	-	Financial assets measured at FVTOCI	2	106,000	-	106,000	
Krinein Company	Shanghai Commercial Bank (HK)	Indirect subsidiary	Investments in subsidiaries	1,920	14,454,041	9.60	14,454,041	
Empresa Inversiones Generales, S.A.	Shanghai Commercial Bank (HK)	Indirect subsidiary	Investments in subsidiaries	9,600	72,270,204	48.00	72,270,204	

**TABLE 4**

**THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES**

**ACQUISITION OF ASSETS AT COSTS REACHEING \$300 MILLION OR 10% OF THE ISSUED CAPITAL  
FOR THE SIX MONTHS ENDED JUNE 30, 2025  
(Amounts in Thousands of New Taiwan Dollars)**

Buyer	Property	Event Date (Note 1)	Transaction Amount	Payment Status	Counterparty	Relationship	Purpose of Disposal				Price Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
The Shanghai Commercial & Savings Bank, Ltd.	No. 2, Sec. 1, Minguan E. Rd., Zhongshan Dist., Taipei City Minguan building	2025/1/14	\$3,433,225	Paid in full	Futsu Construction Co., Ltd., Envision Engineering Consultants Co., Ltd., Horizon Design & Construction Co., Ltd., etc	Non-related party	-	-	-	-	1. Refer to the appraisal report by professional real estate appraiser 2. Price negotiation by both parties 3. Approved by Board of directors	For use by the Bank's business department and head office units	None

**TABLE 5**

**THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.**

**SALE OF NON-PERFORMING LOANS  
FOR THE SIX MONTHS ENDED JUNE 30, 2025  
(In Thousands of New Taiwan Dollars) (Share in Thousands)**

Transaction Date	Seller	Trading Partners	Debt Components	Book Value	Selling Price (Note)	Disposal(loss)	With agree conditions	The relationship between the transaction object and the Bank
2025/1/30	The Shanghai Commerical & SavingsBank	A Co., Ltd	Loan Claims	US\$ 8,010	-	-	In accordance with the terms of the debt assignment agreement	Non-related party

Note : For relevant information, please refer to the Market Observation Post System website of the Taiwan Stock Exchange on January 17, 2025 and February 2, 2025.

**TABLE 6**

**THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES**

**RELATED INFORMATION OF INVESTEEES  
FOR THE SIX MONTHS ENDED JUNE 30, 2025  
(Amounts in Thousands of New Taiwan Dollars) (Share in Thousands)**

Investee Company	Location	Main Businesses and Products	Percentage of Ownership (%)	Carrying Amount	Investment Income (Loss) Recognized	Consolidated Investment (Note 2)				Note
						Shares (In Thousands)	Shares (Pro forma)	Shares (In Thousands)	Percentage of Ownership (%)	
<b>Financial business</b>										
SCSB Asset Management Ltd.	Taiwan	Purchase and management of creditor's rights of financial institutions	100.00	\$ 1,620,337	\$ 3,668	160,000	-	160,000	100.00	
Paofoong Insurance Company Ltd.	Hong Kong	Insurance	40.00	433,234	23,282	500	-	500	100.00	
Shanghai Commercial Bank (HK)	Hong Kong	Banking and financial	57.60	86,724,245	1,662,791	11,520	-	11,520	57.60	
SCSB Leasing (China) Co., Ltd.	China	Leasing operation	100.00	865,078	(18,543)	N/A	-	N/A	100.00	
AMK Microfinance Institution Plc.	Cambodia	Microfinance institution	99.99	5,356,640	10,121	10,946	-	10,946	99.99	
<b>Non-financial business</b>										
China Travel Service (Taiwan)	Taiwan	Travel services	99.99	381,485	(17,425)	38,943	-	38,943	99.99	
SCSB Marketing Ltd.	Taiwan	Marketing	100.00	8,840	982	500	-	500	100.00	
Kuo Hai Real Estate Management	Taiwan	Building material distribution	30.00	-	-	3,000	-	3,000	30.00	
Shancom Reconstruction AG	Switzerland	Securities investment	100.00	86,119,741	1,698,293	15	-	15	100.00	
Wresqueue Limitada	Liberia	Securities investment	100.00	379,951	5,459	176	-	176	100.00	
Empresa Inversiones Generales, S.A.	Panama	Securities investment	100.00	20,935	(28)	1	-	1	100.00	
Krinein Company	Cayman Islands	Securities investment	100.00	30,242	532	2	-	2	100.00	
Safehaven Investment Corporation	Liberia	Securities investment	100.00	53,291	1,132	1	-	1	100.00	
Prosperity Realty Inc.	USA	Real estate services	100.00	43,141	866	4	-	4	100.00	
Silks Place Taroko	Taiwan	Hotelling	45.00	195,186	(12,806)	20,372	-	20,372	45.00	
CTS Travel International Ltd.	Taiwan	Travel services	100.00	7,024	1	600	-	600	100.00	

Note 1: Investees are categorized into financial business and non-financial business.

Note 2: The Bank, board chairman, supervisors, managing directors, and the shares of investee companies invested in by related parties which comply with corporation law are considered.



TABLE 7

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

INVESTMENT IN MAINLAND CHINA

JUNE 30, 2025

(Amounts in Thousands of New Taiwan Dollars and US Dollars)

1. Investee company name, main business and products, total amount of paid-in capital, investment type, investment outflows and inflows, % ownership, investment gain (loss), carrying amount as of June 30, 2024 and inward remittance of earnings:

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type (Note 1)	Accumulated Outflow of Investment as of December 31, 2024	Investment Flows		Accumulated Outflow of Investment as of June 30, 2025	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of June 30, 2025 (Note 3)	Accumulated Inward Remittance of Earnings as of June 30, 2025
					Outflow	Inflow					
SCSB Leasing (China) Co., Ltd.	Leasing operation	NT\$ 878,700 US\$ 30,000	Note1(3)	NT\$ 878,700 US\$ 30,000	- -	- -	NT\$ 878,700 US\$ 30,000	100%	NT\$ (18,543) US\$ (582)	NT\$ 865,078 US\$ 29,535	\$ -
Bank of Shanghai	Banking business approved by local government	NT\$ 58,105,428 US\$ 1,983,797	Note 4	NT\$ 3,302,242 US\$ 112,743	- -	- -	NT\$ 3,302,242 US\$ 112,743	3%	- -	NT\$ 18,492,724 US\$ 631,366	-
Shanghai Commercial Bank Ltd. - Shenzhen Branch	Banking business approved by local government	NT\$ 2,865,907 US\$ 97,846	Note 4	NT\$ 1,871,426 US\$ 63,893	- -	- -	NT\$ 1,871,426 US\$ 63,893	100%	NT\$ (52,499) US\$ (1,648)	NT\$ 2,746,728 US\$ 93,777	-
Shanghai Commercial Bank Ltd. - Shanghai Branch	Banking business approved by local government	NT\$ 3,146,510 US\$ 107,426	Note 4	NT\$ 1,895,561 US\$ 64,717	- -	- -	NT\$ 1,895,561 US\$ 64,717	100%	NT\$ (558,152) US\$ (17,517)	NT\$ 3,261,626 US\$ 111,356	-
The Shanghai Commercial & Savings Bank, Ltd. - Wuxi Branch	Banking business approved by local government	NT\$ 2,539,648 US\$ 86,707	Note1(1)	NT\$ 2,539,648 US\$ 86,707	- -	- -	NT\$ 2,539,648 US\$ 86,707	100%	NT\$ 25,683 US\$ 806	NT\$ 2,649,759 US\$ 90,466	-

2. Upper limit on investments in mainland China:

Accumulated Investment in Mainland China as of June 30, 2025 (Note 3)	Investment Amounts Authorized by Investment Commission, MOEA (Note 3)	Upper Limit on Investment Authorized by Investment Commission MOEA
\$ 10,487,577 (US\$ 358,060)	\$ 11,192,988 (US\$ 382,144)	\$ 150,865,211

Note 1: Methods of investment in mainland China are listed below:

- (1) Directly invest.
- (2) Invest indirectly via a third company.
- (3) Others.

Note 2: Financial report audited by the accounting firm associated with the parent company in Taiwan.

Note 3: Calculated using the exchange rate on June 30, 2025.

Note 4: To invest via sub-subsidiary of the Bank, Shanghai Commercial Bank (HK).

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

TABLE8

INFORMATION OF MAJOR SHAREHOLDERS  
FOR THE SIX MONTHS ENDED JUNE 30, 2025  
(In Thousands of New Taiwan Dollars)

Name of Major Shareholder / Shares	Number of Shares Held	Shareholding Ratio
Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF entrusted by Taishin Bank	254,363,590	5.23%
Yuanta/P-shares Taiwan Dividend Plus ETF	251,812,486	5.18%

Note 1: The information of major shareholders who hold 5 percent or more of the issuer’s common stocks and preferred stocks, including treasury stocks, is provided by Taiwan Depository and Clearing Corp. for every quarter. The share capital disclosed on financial report and the actual numbers of dematerialized securities may be different due to their discrepancies calculation basis.

Note 2: If the shareholder entrusts the shares to the trust, the shareholding will be disclosed by the trustee’s account individually. As for those shareholders who are responsible for the declaration of insiders’ shareholding with more than 10 percent in accordance with the Securities and Exchange Act, their shareholdings shall include their own shares and the trust in which they have the authority to decide the allocation of their trust assets. Please refer to the Market Observation Post System for information on the insiders’ shareholding.