

Stock code: 5876
Taiwan Stock Exchange

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

**Consolidated Financial Statements for the
Three Months Ended March 31, 2025 and 2024 and
Independent Auditors' Review Report**

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Table of Contents

| Contents | Page | Notes |
|---------------------------------------------------------------------------------------------------|-------------|-------|
| 1. Table of Contents | 1 | - |
| 2. Report on review of financial statement translated from Chinese | 2 | - |
| 3. Consolidated Balance Sheets | 3 | - |
| 4. Consolidated Statements of Comprehensive Income | 4 | - |
| 5. Consolidated Statements of Changes In Stockholders' Equity | 5 | - |
| 6. Consolidated Statements of Cash Flows | 6~7 | - |
| 7. Notes to Consolidated Financial Statements | | |
| (1) Organization and Operations | 8 | 1 |
| (2) Authorization of Financial Statements | 8 | 2 |
| (3) Application of New Standards, Amendments and Interpretations | 8~9 | 3 |
| (4) Summary of Significant Accounting Policies | 9~10 | 4 |
| (5) Critical Accounting Judgments and Main Sources of Uncertainty in Estimates and Assumptions | 10 | 5 |
| (6) Summary of Significant Accounts | 10~36 | 6~35 |
| (7) Related-Party Transactions | 37~39 | 36 |
| (8) Pledged Assets | 40 | 37 |
| (9) Significant Contingent Liabilities and Unrecognized Commitments | 40 | 38 |
| (10) Significant Subsequent Events | 40 | 39 |
| (11) Others | 41~70 | 40~45 |
| (12) Disclosure Required | | |
| (a) Related Information on Significant Transactions | 71 73~78 | 46 |
| (b) Related Information on other business investment | 71 | 46 |
| (c) Related Information on Investments in Mainland China | 71 、 79 | 46 |
| (d) Related Information and Significant Transactions Between the Parent and its Subsidiaries | 71 80~82 | 46 |
| (e) Information of major shareholders | 71 、 83 | 46 |
| (13) Segment Information | 72 | 47 |



REPORT ON REVIEW OF FINANCIAL STATEMENTS TRANSLATED FROM CHINESE

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

Introduction

We have reviewed the accompanying consolidated balance sheets of The Shanghai Commercial & Savings Bank, Ltd. (the "Bank") and its subsidiaries (collectively referred to as the "Group") as at March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three-month periods then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Public Bank, and International Accounting Standard 34 "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission of Taiwan. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of Taiwan. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the three-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Public Bank, and International Accounting Standard 34 "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission of Taiwan.

Puo-Ju Kuo Wei-Tai Wu
For and on behalf of PricewaterhouseCoopers, Taiwan
May 2, 2025

The accompanying consolidated 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 review of such financial statements may differ from those generally accepted in countries and jurisdictions other than Taiwan. Accordingly, the accompanying consolidated 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 consolidated 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. AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2025, December 31, 2024 and March 31, 2024

(Expressed in Thousands of New Taiwan Dollars)

| Codes | ASSETS | NOTES | March 31, 2025 | | December 31, 2024 | | March 31, 2024 | |
|--------------|----------------------------------------------------------------------------|-----------|-------------------------|------------|-------------------------|------------|-------------------------|------------|
| | | | Amount | % | Amount | % | Amount | % |
| 11000 | Cash and cash equivalents | 6 | \$ 40,689,678 | 2 | \$ 38,522,816 | 2 | \$ 51,640,310 | 2 |
| 11500 | Due from the Central Bank and call loans to banks | 7 | 438,193,676 | 18 | 432,246,360 | 17 | 398,513,001 | 17 |
| 12000 | Financial assets measured at fair value through profit or loss | 8 | 7,439,522 | - | 5,569,510 | - | 7,335,774 | - |
| 12100 | Financial assets measured at fair value through other comprehensive income | 9 and 11 | 512,468,569 | 21 | 475,245,104 | 19 | 420,460,059 | 17 |
| 12200 | Investments in debt instruments measured at amortized cost | 10 and 11 | 180,797,946 | 7 | 235,146,758 | 10 | 232,681,905 | 10 |
| 12500 | Securities purchased under resell agreements | 12 | 12,106,860 | 1 | 8,408,560 | - | 5,301,087 | - |
| 13000 | Receivables, net | 13 | 26,340,992 | 1 | 24,748,669 | 1 | 20,471,467 | 1 |
| 13200 | Current income tax assets | 34 | 170,362 | - | 185,113 | - | 98,340 | - |
| 13300 | Assets held for sale, net | 16 | 1,050,317 | - | 1,039,030 | - | - | - |
| 13500 | Discounts and loans, net | 14 | 1,211,074,022 | 49 | 1,221,016,517 | 49 | 1,236,580,061 | 51 |
| 15000 | Investments under the equity method, net | 16 | 1,674,128 | - | 1,559,287 | - | 2,382,979 | - |
| 15500 | Other financial assets, net | 17 | - | - | 1,872 | - | - | - |
| 18500 | Properties, net | 18 | 24,333,835 | 1 | 24,190,840 | 1 | 23,669,062 | 1 |
| 18600 | Right-of-use assets, net | 19 | 1,797,238 | - | 1,854,237 | - | 2,005,215 | - |
| 18700 | Investment properties, net | 20 | 7,049,545 | - | 7,978,542 | - | 7,560,861 | - |
| 19000 | Intangible assets, net | 21 | 2,206,821 | - | 2,194,494 | - | 2,256,892 | - |
| 19300 | Deferred income tax assets | 34 | 4,591,580 | - | 4,936,259 | - | 3,766,581 | - |
| 19500 | Other assets, net | 22 | 11,462,209 | - | 11,218,943 | 1 | 10,981,279 | 1 |
| 10000 | Total assets | | <u>\$ 2,483,447,300</u> | <u>100</u> | <u>\$ 2,496,062,911</u> | <u>100</u> | <u>\$ 2,425,704,873</u> | <u>100</u> |
| Codes | LIABILITIES AND EQUITY | | | | | | | |
| 21000 | Deposits from the central bank and other banks | 23 | \$ 44,963,954 | 2 | \$ 44,597,026 | 2 | \$ 34,084,151 | 1 |
| 22000 | Financial liabilities measured at fair value through profit or loss | 8 | 5,419,198 | - | 5,825,908 | - | 6,012,922 | - |
| 22500 | Securities sold under repurchase agreements | 24 | 7,592,532 | - | 4,783,153 | - | 2,271,282 | - |
| 23000 | Payables | 25 | 40,962,223 | 2 | 36,432,169 | 2 | 36,128,384 | 2 |
| 23200 | Current income tax liabilities | 34 | 1,481,191 | - | 956,186 | - | 1,888,105 | - |
| 23500 | Deposits and remittances | 26 | 2,015,349,558 | 81 | 2,046,220,040 | 82 | 1,994,641,671 | 82 |
| 24000 | Bank debentures | 27 | 59,740,868 | 3 | 59,591,987 | 2 | 66,557,917 | 3 |
| 25500 | Other financial liabilities | 28 | 12,286,246 | 1 | 9,981,110 | 1 | 6,993,819 | - |
| 25600 | Provisions | 29 | 2,978,415 | - | 3,242,924 | - | 2,990,838 | - |
| 26000 | Lease liabilities | 19 | 1,826,708 | - | 1,878,459 | - | 2,011,652 | - |
| 29300 | Deferred income tax liabilities | 34 | 10,076,076 | - | 9,973,427 | - | 11,071,350 | 1 |
| 29500 | Other liabilities | 30 | 4,963,963 | - | 5,695,512 | - | 3,906,889 | - |
| 20000 | Total liabilities | | <u>2,207,640,932</u> | <u>89</u> | <u>2,229,177,901</u> | <u>89</u> | <u>2,168,558,980</u> | <u>89</u> |
| | Equity | 32 | | | | | | |
| | Equity attributable to owners of the Bank | | | | | | | |
| | Share capital | | | | | | | |
| 31101 | Ordinary shares | | 48,616,031 | 2 | 48,616,031 | 2 | 48,616,031 | 2 |
| 31500 | Capital surplus | | 27,705,927 | 1 | 27,705,927 | 1 | 27,548,445 | 1 |
| | Retained earnings | | | | | | | |
| 32001 | Legal reserve | | 64,476,033 | 3 | 64,476,033 | 3 | 64,476,033 | 3 |
| 32003 | Special reserve | | 7,669,374 | - | 7,669,374 | - | 13,252,879 | 1 |
| 32005 | Unappropriated earnings | | 44,449,426 | 2 | 39,833,861 | 2 | 33,628,710 | 1 |
| | Total retained earnings | | 116,594,833 | 5 | 111,979,268 | 5 | 111,357,622 | 5 |
| 32500 | Other equity | | 10,968,635 | - | 9,710,581 | - | 5,298,310 | - |
| 32600 | Treasury shares | | (83,144) | - | (83,144) | - | (83,144) | - |
| | Total equity attributable to owners of the Bank | | 203,802,282 | - | 197,928,663 | - | 192,737,264 | - |
| 38000 | Non-controlling interests | | 72,004,086 | 3 | 68,956,347 | 3 | 64,408,629 | 3 |
| 30000 | Total equity | | <u>275,806,368</u> | <u>11</u> | <u>266,885,010</u> | <u>11</u> | <u>257,145,893</u> | <u>11</u> |
| | Total liabilities and equity | | <u>\$ 2,483,447,300</u> | <u>100</u> | <u>\$ 2,496,062,911</u> | <u>100</u> | <u>\$ 2,425,704,873</u> | <u>100</u> |

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

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the Three Months Ended March 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars, except Earnings Per Share)

| Codes | Items | Notes | For the Three Months Ended March 31 | | | |
|-------|------------------------------------------------------------------------------------------------------------|-------|-------------------------------------|------------|----------------------|------------|
| | | | 2025 | | 2024 | |
| | | | Amount | % | Amount | % |
| 41000 | Interest income | | \$ 20,547,102 | 148 | \$ 21,307,683 | 173 |
| 51000 | Interest expenses | | (10,970,820) | (79) | (11,915,802) | (97) |
| 49010 | Net interest income | 33 | <u>9,576,282</u> | <u>69</u> | <u>9,391,881</u> | <u>76</u> |
| | Non-interest income | | | | | |
| 49100 | Service fee income, net | 33 | 2,207,079 | 16 | 1,850,423 | 15 |
| 49200 | Gain (loss) on financial assets and liabilities measured at fair value through profit or loss | 33 | 401,486 | 3 | (1,867,458) | (15) |
| 49310 | Realized gain on financial assets measured at fair value through other comprehensive income | 33 | 379,801 | 3 | 468,068 | 4 |
| 49450 | Gain on financial assets measured at amortized cost | | 58,523 | - | 41,565 | - |
| 49600 | Foreign exchange gain, net | | 200,630 | 1 | 2,189,449 | 18 |
| 49700 | Impairment (loss) reversal gain on assets | 11 | (13,582) | - | 314 | - |
| 49750 | Proportionate share of profit of associates under the equity method | 16 | 91,751 | 1 | 78,832 | 1 |
| 49800 | Other non-interest income, net | 33 | 125,135 | 1 | 188,387 | 1 |
| 49815 | Gain on investment properties | | <u>798,013</u> | <u>6</u> | <u>-</u> | <u>-</u> |
| | Total non-interest income | | <u>4,248,836</u> | <u>31</u> | <u>2,949,580</u> | <u>24</u> |
| 4xxxx | Consolidated net revenue | | <u>13,825,118</u> | <u>100</u> | <u>12,341,461</u> | <u>100</u> |
| 58200 | Provisions for bad-debt expense, commitment and guarantee liability | 14 | (1,508,145) | (11) | (698,679) | 5 |
| | Operating expenses | | | | | |
| 58500 | Employee benefits | 33 | (3,244,053) | (23) | (2,918,505) | (24) |
| 59000 | Depreciation and amortization | 33 | (516,455) | (4) | (488,530) | (4) |
| 59500 | Other general and administrative | | (1,530,544) | (11) | (1,527,502) | (12) |
| 58400 | Total operating expenses | | (5,291,052) | (38) | (4,934,537) | (40) |
| 61001 | Profit before income tax | | 7,025,921 | 51 | 6,708,245 | 55 |
| 61005 | Income tax expense | 34 | (1,125,333) | (8) | (1,438,612) | (12) |
| 64000 | Consolidated net income | | <u>\$ 5,900,588</u> | <u>43</u> | <u>\$ 5,269,633</u> | <u>43</u> |
| | Other comprehensive income (loss) | | | | | |
| | Items that will not be reclassified subsequently to profit or loss: | | | | | |
| 65201 | Defined benefit plan remeasurements | 31 | \$ 593 | - | \$ - | - |
| 65204 | (Loss) gain on investments in equity instruments measured at fair value through other comprehensive income | 9 | (445,079) | (3) | 3,076,153 | 25 |
| 65205 | Financial liabilities designated at FVTPL which the amount of change derived from credit risk | 8 | (182) | - | 1,602 | - |
| 65206 | Proportionate share of other comprehensive income of associates under the equity method | 16 | 6,805 | - | 45,078 | - |
| 65220 | Income tax relating to items that will not be reclassified subsequently to profit or loss | 34 | (28,235) | - | (43,041) | - |
| | Items that may be reclassified subsequently to profit or loss: | | | | | |
| 65301 | Exchange differences on translating foreign operations | | 2,032,337 | 15 | 5,998,277 | 49 |
| 65306 | Share of the other comprehensive income of associates accounted for using the equity method | 16 | - | - | 60,690 | - |
| 65309 | Gain (loss) on debt instruments measured at fair value through other comprehensive income | 9 | 1,874,099 | 13 | (143,409) | (1) |
| 65310 | Loss allowance for debt instruments measured at fair value through other comprehensive income | 11 | 6,579 | - | 1,194 | - |
| 65320 | Income tax relating to items that may be reclassified subsequently to profit or loss | 34 | (426,147) | (3) | (716,680) | (6) |
| 65000 | Other comprehensive income for the period, net of income tax | | <u>\$ 3,020,770</u> | <u>22</u> | <u>\$ 8,279,864</u> | <u>67</u> |
| 66000 | Total comprehensive income for the period | | <u>\$ 8,921,358</u> | <u>65</u> | <u>\$ 13,549,497</u> | <u>110</u> |
| | Net profit attributable to: | | | | | |
| 67101 | Owners of the Bank | | \$ 4,667,070 | 34 | \$ 4,334,529 | 35 |
| 67111 | Non-controlling interests | | <u>1,233,518</u> | <u>9</u> | <u>935,104</u> | <u>8</u> |
| 67100 | | | <u>\$ 5,900,588</u> | <u>43</u> | <u>\$ 5,269,633</u> | <u>43</u> |
| | Total comprehensive income attributable to: | | | | | |
| 67301 | Owners of the Bank | | \$ 5,873,619 | 43 | \$ 9,420,220 | 77 |
| 67311 | Non-controlling interests | | <u>3,047,739</u> | <u>22</u> | <u>4,129,277</u> | <u>33</u> |
| 67300 | | | <u>\$ 8,921,358</u> | <u>65</u> | <u>\$ 13,549,497</u> | <u>110</u> |
| | Earnings per share | 35 | | | | |
| 67500 | Basic | | <u>\$ 0.96</u> | | <u>\$ 0.89</u> | |
| 67700 | Diluted | | <u>\$ 0.96</u> | | <u>\$ 0.89</u> | |

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

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the Three Months Ended March 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

| | | Equity Attributable to Owners of the Bank | | | | | | | | | | | | |
|-------------------------------------------|------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------|----------------------|----------------------|-------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------------------------|--------------------|-------------------------------------------------|---------------------------|-----------------------|--|
| | | Share Capital | | Retained Earnings | | | Other Equity | | | | | | | |
| | | | | | | | 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 Attributable to Owners of the Bank | Non-controlling Interests | Total Equity | |
| Codes | | Ordinary Shares | Capital Surplus | Legal Reserve | Special Reserve | Unappropriated Earnings | | | | | | | | |
| For the three months ended March 31, 2024 | | | | | | | | | | | | | | |
| A1 | Balance on January 1, 2024 | \$ 48,616,031 | \$ 27,548,445 | \$ 64,476,033 | \$ 13,252,879 | \$ 28,987,035 | (\$ 421,695) | \$ 945,607 | (\$ 4,147) | (\$ 83,144) | \$ 183,317,044 | \$ 60,279,352 | \$ 243,596,396 | |
| D1 | Net profit for the three months ended March 31, 2024 | - | - | - | - | 4,334,529 | - | - | - | - | 4,334,529 | 935,104 | 5,269,633 | |
| D3 | Other comprehensive income (loss) for the three months ended March 31, 2024, net of income tax | - | - | - | - | - | 2,850,859 | 2,233,230 | 1,602 | - | 5,085,691 | 3,194,173 | 8,279,864 | |
| D5 | Total comprehensive income (loss) for the three months ended March 31, 2024 | - | - | - | - | 4,334,529 | 2,850,859 | 2,233,230 | 1,602 | - | 9,420,220 | 4,129,277 | 13,549,497 | |
| Q1 | Disposal of equity instruments at fair value through other comprehensive income | - | - | - | - | 307,146 | - | (307,146) | - | - | - | - | - | |
| Z1 | Balance on March 31, 2024 | <u>\$ 48,616,031</u> | <u>\$ 27,548,445</u> | <u>\$ 64,476,033</u> | <u>\$ 13,252,879</u> | <u>\$ 33,628,710</u> | <u>\$ 2,429,164</u> | <u>\$ 2,871,691</u> | <u>(\$ 2,545)</u> | <u>(\$ 83,144)</u> | <u>\$ 192,737,264</u> | <u>\$ 64,408,629</u> | <u>\$ 257,145,893</u> | |
| For the three months ended March 31, 2025 | | | | | | | | | | | | | | |
| 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 | \$ 68,956,347 | \$ 266,885,010 | |
| D1 | Net profit for the three months ended March 31, 2025 | - | - | - | - | 4,667,070 | - | - | - | - | 4,667,070 | 1,233,518 | 5,900,588 | |
| D3 | Other comprehensive income (loss) for the three months ended March 31, 2025, net of income tax | - | - | - | - | 593 | 1,148,434 | 57,704 | (182) | - | 1,206,549 | 1,814,221 | 3,020,770 | |
| D5 | Total comprehensive income for the three months ended March 31, 2025 | - | - | - | - | 4,667,663 | 1,148,434 | 57,704 | (182) | - | 5,873,619 | 3,047,739 | 8,921,358 | |
| Q1 | Disposal of equity instruments at fair value through other comprehensive income | - | - | - | - | (52,098) | - | 52,098 | - | - | - | - | - | |
| Z1 | Balance on March 31, 2025 | <u>\$ 48,616,031</u> | <u>\$ 27,705,927</u> | <u>\$ 64,476,033</u> | <u>\$ 7,669,374</u> | <u>\$ 44,449,426</u> | <u>\$ 6,119,343</u> | <u>\$ 4,850,489</u> | <u>(\$ 1,197)</u> | <u>(\$ 83,144)</u> | <u>\$ 203,802,282</u> | <u>\$ 72,004,086</u> | <u>\$ 275,806,368</u> | |

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

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the Three Months Ended March 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

| Codes | | For the Three Months Ended March 31 | |
|--------|--------------------------------------------------------------------------------------|-------------------------------------|---------------|
| | | 2025 | 2024 |
| | Cash flows from operating activities | | |
| A00010 | Consolidated net profit before income tax | \$ 7,025,921 | \$ 6,708,245 |
| A20010 | Adjustments to reconcile net profit to net cash provided by operating activities | | |
| A20100 | Depreciation expenses | 424,156 | 394,162 |
| A20200 | Amortization expenses | 92,299 | 94,368 |
| A20300 | Provisions for bad debt expense, commitment and guarantee liability | 1,508,145 | 698,679 |
| A20400 | (Gain) loss on financial assets and liabilities at fair value through profit or loss | (513,012) | 1,264,296 |
| A20900 | Interest expenses | 10,970,820 | 11,915,802 |
| A21200 | Interest revenue | (20,547,102) | (21,307,683) |
| A21300 | Dividend income | (344,736) | (272,183) |
| A22300 | Proportionate share of profit of associates | (91,751) | (78,832) |
| A22500 | Loss (gain) on disposal of properties and equipment, net | 1,154 | 213) |
| A22700 | (Gain) on disposal of investment properties, net | (798,013) | - |
| A23600 | Impairment loss (reversal) on financial assets | 13,582 | (314) |
| A29900 | Others | 524,401 | (320,299) |
| A40000 | Changes in operating assets and liabilities | | |
| A41110 | Due from the central bank and call loans to banks | (39,149,919) | 17,495,301 |
| A41120 | Financial assets measured at fair value through profit or loss | (2,529,127) | 974,191 |
| A41123 | Financial assets measured at fair value through other comprehensive income | (32,364,865) | (22,633,541) |
| A41125 | Investment in debt instruments measured at amortized cost | 54,646,519 | 37,447,215 |
| A41150 | Receivables | (2,318,419) | (485,356) |
| A41160 | Discounts and loans | 12,890,093 | 6,095,418 |
| A41190 | Other financial assets | (2,279) | 3,853 |
| A41990 | Other assets | (252,689) | 3,906,780 |
| A42110 | Deposits from the central bank and other banks | (106,789) | (7,317,323) |
| A42120 | Financial liabilities measured at FVTPL | 775,956 | (1,980,462) |
| A42140 | Securities sold under repurchase agreements | 2,809,379 | 1,679,993 |
| A42150 | Payables | 3,772,048 | (3,038,103) |
| A42160 | Deposits and remittances | (40,805,425) | (17,889,084) |
| A42170 | Other financial liabilities | 2,305,136 | (546,232) |
| A42180 | Employee benefit provisions | (291,039) | (309,296) |
| A42990 | Other liabilities | (144,510) | 689,270 |
| A33000 | Cash from operations | (42,500,066) | 13,188,652 |
| A33100 | Interest received | 20,676,387 | 23,618,391 |
| A33200 | Dividends received | 344,736 | 272,183 |
| A33300 | Interest paid | (10,536,294) | (10,977,658) |
| A33500 | Income tax paid | (741,614) | (1,586,953) |
| AAAA | Net cash from operating activities | (32,756,851) | 24,514,615 |

(Continued)

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the Three Months Ended March 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

| Codes | | For the Three Months Ended March 31 | |
|--------|------------------------------------------------------------------------------------|-------------------------------------|-----------------------|
| | | 2025 | 2024 |
| | Cash flows from investing activities | | |
| B02700 | Acquisition of properties | (\$ 256,280) | (\$ 535,264) |
| B02800 | Proceeds from disposal of properties | 21 | 769 |
| B04500 | Acquisition of intangible assets | (102,583) | (108,205) |
| B05400 | Acquisition of investment properties | - | (9,787) |
| B05500 | Disposal of investment properties | 1,006,471 | - |
| B09900 | Other financial investments | 158,968 | - |
| BBBB | Net cash used in investing activities | 806,597 | (652,487) |
| | Cash flows from financing activities | | |
| C01400 | Issuance of bank debentures | - | 2,500,000 |
| C01500 | Payments for bank debentures | - | (14,521,821) |
| C04020 | Payments for principal portion of lease liabilities | (353,452) | (266,928) |
| CCCC | Net cash from (used in) financing activities | (353,452) | (12,288,749) |
| DDDD | Effects of exchange rate changes on the balance of cash held in foreign currencies | 3,831,804 | 11,821,755 |
| EEEE | Net (decrease) increase in cash and cash equivalents | (28,471,902) | 23,395,134 |
| E00100 | Cash and cash equivalents at the beginning of the period | 369,412,598 | 356,404,573 |
| E00200 | Cash and cash equivalents at the end of the period | <u>\$ 340,940,696</u> | <u>\$ 379,799,707</u> |

Reconciliation of the amounts in the consolidated statements of cash flows with the equivalent items reported in the consolidated balance sheets as of March 31, 2025 and 2024:

| Codes | | March 31, 2025 | March 31, 2024 |
|--------|-----------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| E00210 | Cash and cash equivalents in consolidated balance sheets | \$ 40,689,678 | \$ 51,640,310 |
| E00220 | Due from the Central Bank and call loans to banks which fall within the definition of cash and cash equivalents under IAS 7 | 288,144,158 | 322,858,310 |
| E00230 | Securities purchased under resale agreements which fall within the definition of cash and cash equivalents under IAS 7 | 12,106,860 | 5,301,087 |
| E00200 | Cash and cash equivalents in consolidated statements of cash flows | <u>\$ 340,940,696</u> | <u>\$ 379,799,707</u> |

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

(Concluded)

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements For the Three Months Ended March 31, 2025 and 2024 (Reviewed, Not Audited)

(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 traded on Taiwan Stock Exchange since October 19, 2018.

The Bank has its head office in Taipei and 78 branches, including 4 foreign branches separately located in Wuxi China, Hong Kong, Vietnam Dong Nai Vietnam and Singapore.

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

2. AUTHORIZATION OF CONSOLIDATED FINANCIAL STATEMENTS

On May 2, 2025, the consolidated financial statements were approved by the board of directors.

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 Group 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 Group.

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 certain content of IFRS 9 and IFRS 7 for the “Classification and measurement of financial instruments.” | January 1, 2026 |

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group’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:

| New Standards, Interpretations and Amendments | Effective Date Announced by IASB |
|--------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| Amendments to certain content of IFRS 9 and IFRS 7 for the “Classification and measurement of financial instruments.” | January 1, 2026 |
| Amendments to IFRS 9 and IFRS 7 for the “Power purchase agreements.” | January 1, 2026 |
| Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture” | To be determined by IASB |
| IFRS 17 “Insurance Contracts” | January 1, 2023 |
| Amendments to IFRS 17 “Insurance Contracts” | January 1, 2023 |
| Amendments to IFRS 17 “Initial application of IFRS 17 and IFRS 9 - Comparative Information” | January 1, 2023 |
| 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 |
| Annual improvements to IFRS Accounting Standards — Volume 11 | January 1, 2026 |

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group’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 consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks, and IAS 34 “Interim Financial Reporting” that came into effect as endorsed by the FSC. Under IFRSs, disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

4.2 Basis of Preparation

The consolidated 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.

4.3 Basis of Consolidation

The consolidated financial statements contain the financial statements of the Bank and the subsidiaries controlled by the Bank. The consolidated statements of comprehensive income have included the operating gains and losses of acquired or divested companies in the current period from the date of acquisition or to the date of disposal. The financial statements of subsidiaries have been adjusted to align their accounting policies with the Bank's accounting policies. In the preparation of the consolidated financial statements, all intra-company transactions, account balances, income and losses have been eliminated. The comprehensive income of the subsidiaries is attributed to the owner of the Bank and non-controlling interests, even if the non-controlling interests have negative balance.

For details on subsidiaries, shareholding ratios and business items, refer to Note 15.

4.4 Other Significant Accounting Policies

Except for the following instructions, refer to the summary of major accounting policies in the 2024 annual consolidated financial statements.

4.4.1 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.

4.4.2 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.

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

In the application of the Group'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, investments in debt instrument and financial guarantee contracts are based on the Group's assumptions about default rates and expected loss rates. The Group considers historical experience, current market conditions and forward-looking information to make assumptions and select input values for impairment assessments. For the important assumptions and input values used, refer to Note 40. If the actual cash flows in the future are less than expected, significant impairment losses may occur.

6. CASH AND CASH EQUIVALENTS

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|-------------------------------|----------------------|----------------------|----------------------|
| Cash in hand and working fund | \$ 12,195,484 | \$ 15,998,156 | \$ 13,031,801 |
| Checks for clearing | 461,516 | 620,323 | 2,306,390 |
| Due from other banks | 28,032,678 | 21,904,337 | 36,302,119 |
| | <u>\$ 40,689,678</u> | <u>\$ 38,522,816</u> | <u>\$ 51,640,310</u> |

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

| | <u>December 31, 2024</u> |
|-------------------------------------------------------------------------------------------------------------------------|--------------------------|
| Cash and cash equivalents in the consolidated balance sheets | \$ 38,522,816 |
| Due from the Central Bank and call loans to banks which are categorized as cash and cash equivalents under IAS 7 | 322,481,222 |
| Due from the Central Bank and call loans to banks which are categorized as securities purchased under resell agreements | 8,408,560 |
| Cash and cash equivalents | <u>\$ 369,412,598</u> |

The Group assesses the allowance for cash and cash equivalents based on the expected credit loss model. Due to the low credit risk of cash and cash equivalents, allowance losses are recognized based on the 12-month expected credit losses. On March 31, 2025, December 31, 2024 and March 31, 2024, cash and cash equivalents recognized as allowances were in the amounts of \$192 thousand, \$160 thousand and \$102 thousand, respectively.

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

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

| | <u>March 31, 2025</u> | <u>December 31, 2024</u> | <u>March 31, 2024</u> |
|-------------------------------------|-----------------------|--------------------------|-----------------------|
| Call loans to banks | \$ 376,805,340 | \$ 370,595,554 | \$ 349,871,862 |
| Deposit reserves - I | 20,705,680 | 16,291,208 | 10,673,957 |
| Deposit reserves - II | 34,739,332 | 34,556,139 | 31,883,015 |
| Deposit reserves - foreign currency | 202,754 | 212,623 | 204,197 |
| Due from foreign central banks | 5,740,570 | 10,590,836 | 5,879,970 |
| | <u>\$ 438,193,676</u> | <u>\$ 432,246,360</u> | <u>\$ 398,513,001</u> |

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

The Group assesses the loss allowance for due from the Central Bank and call loans to banks based on the expected credit loss model. Due to the low credit risk of dues from the Central Bank and call loans to banks, the loss allowance is recognized based on 12-month expected credit losses. On March 31, 2025, December 31, 2024 and March 31, 2024, the allowances recognized for the dues from the Central Bank and call loans to banks were in the amounts of \$7,578 thousand, \$8,194 thousand and \$2,932 thousand, respectively.

For information on the deposit of central bank and interbank pledges, please refer to Note 37.

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

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|------------------------------------------------------------|---------------------|---------------------|---------------------|
| Financial assets measured at FVTPL | | | |
| Financial assets mandatorily classified as at FVTPL | | | |
| Bank debentures | \$ 2,558,650 | \$ 1,179,335 | \$ - |
| Forward contracts | 2,057,033 | 2,403,365 | 2,318,121 |
| Corporate bonds | 786,715 | 156,723 | 6,483 |
| Futures | 649,052 | 543,385 | 312,420 |
| Option contracts | 537,937 | 508,532 | 437,704 |
| Shares | 396,571 | 213,166 | 464,510 |
| Currency swap contracts | 302,584 | 525,722 | 174,019 |
| Government bonds | 100,296 | - | 3,608,274 |
| Interest rate swap contracts | 50,684 | 39,282 | 14,243 |
| | <u>\$ 7,439,522</u> | <u>\$ 5,569,510</u> | <u>\$ 7,335,774</u> |
| Financial liabilities measured at FVTPL | | | |
| Held-for-trading financial liabilities | | | |
| Forward contracts | \$ 1,944,987 | \$ 2,313,113 | \$ 1,990,978 |
| Option contracts | 495,572 | 519,474 | 396,128 |
| Interest rate swap contracts | 376,402 | 464,829 | 281,151 |
| Currency swap contracts | 67,315 | 90,412 | 838,834 |
| Futures | - | 17 | 282 |
| | <u>2,884,276</u> | <u>3,387,845</u> | <u>3,507,373</u> |
| Financial liabilities designated at FVTPL | | | |
| Bank debentures | 2,534,922 | 2,438,063 | 2,505,549 |
| | <u>\$ 5,419,198</u> | <u>\$ 5,825,908</u> | <u>\$ 6,012,922</u> |

The Group engaged 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:

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|------------------------------|----------------|-------------------|----------------|
| Forward contracts | \$ 554,874,552 | \$ 405,576,093 | \$ 511,114,064 |
| Option contracts | 169,123,582 | 153,727,240 | 116,077,335 |
| Interest rate swap contracts | 16,705,843 | 12,028,742 | 10,418,046 |
| Currency swap contracts | 62,067,192 | 62,208,862 | 102,351,320 |
| Future contracts | 198,527 | 33,729 | 178,920 |
| asset swap contracts | - | - | 6,464 |

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

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|--------------------------------------------------------------|--------------------|-------------------|--------------------|
| The difference between the fair value and the maturity value | | | |
| — Fair value | \$ 2,534,922 | \$ 2,438,063 | \$ 2,505,549 |
| — Maturity value | 2,568,110 | 2,431,170 | 2,520,920 |
| | <u>(\$ 33,188)</u> | <u>\$ 6,893</u> | <u>(\$ 15,371)</u> |

| | Effects of changes in credit risk |
|-------------------------------------------|--------------------------------------|
| Current amount of change | |
| For the Three Months Ended March 31, 2025 | (\$ 182) |
| For the Three Months Ended March 31, 2024 | \$ 1,602 |
| Cumulative amount of change | |
| Up to March 31, 2025 | (\$ 1,197) |
| Up to December 31, 2024 | (\$ 1,015) |
| Up to March 31, 2024 | (\$ 2,545) |

The financial liabilities designated by the Group at FVTPL were the second issuance of unsecured debentures amounting to US\$70,000 thousand with a 30-year maturity and fixed interest rate of 0% on October 29, 2018. On the expiration of 5 years and every subsequent year, the Group 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 Group 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 Group 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 credit risk was 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 was calculated using the benchmark yield curve at the balance sheet date. Fair value of financial bonds was 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.

For information on the pledge of financial assets at fair value through profit or loss, please refer to Note 37..

9. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|------------------------------------------------------|----------------|-------------------|----------------|
| Investments in equity instruments measured at FVTOCI | | | |
| Shares | \$ 53,582,614 | \$ 51,404,856 | \$ 41,382,139 |
| Investments in debt instruments measured at FVTOCI | | | |
| Bank debentures | 206,674,303 | 179,222,413 | 127,580,194 |
| Corporate bonds | 161,202,363 | 155,381,577 | 165,579,500 |
| Government bonds | 82,596,351 | 80,583,100 | 76,913,366 |
| Commercial papers | 7,187,632 | 7,469,697 | 7,850,026 |
| Asset-backed securities | 1,225,306 | 1,183,461 | 1,154,834 |
| | 458,885,955 | 423,840,248 | 379,077,920 |
| | \$ 512,468,569 | \$ 475,245,104 | \$ 420,460,059 |

The Group invests in ordinary shares for medium- and long-term strategic purposes and expects to make a profit through long-term investments. The management of the Group considers that if the short-term fair

value fluctuations of these investments are included in profit or loss, they are inconsistent with the aforementioned long-term investment plans. 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 March 31, 2025, December 31, 2024 and March 31, 2024. The par values of bonds and commercial papers sold under repurchase agreements were \$7,586,000 thousand, \$4,778,000 thousand and \$2,262,600 thousand, respectively.

For the information on financial assets pledged at FVTOCI, refer to Note 37.

10. INVESTMENTS IN DEBT INSTRUMENTS MEASURED AT AMORTIZED COST

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|------------------------------------|-----------------------|-----------------------|-----------------------|
| Negotiable certificates of deposit | \$ 148,485,000 | \$ 194,485,000 | \$ 169,800,000 |
| Government bonds | 17,578,504 | 19,750,502 | 29,250,377 |
| Bank debentures | 9,200,734 | 15,408,222 | 19,244,541 |
| Corporate bonds | 5,140,275 | 5,228,744 | 6,600,495 |
| Asset-backed securities | 274,725 | 279,510 | 868,035 |
| Treasury bonds | 122,625 | - | 6,924,745 |
| | <u>180,801,863</u> | <u>235,151,978</u> | <u>232,688,193</u> |
| Less: Loss allowance | (3,917) | (5,220) | (6,288) |
| | <u>\$ 180,797,946</u> | <u>\$ 235,146,758</u> | <u>\$ 232,681,905</u> |

For information on the credit risk management and impairment of financial assets measured at amortized cost, refer to Note 11.

For the information on related financial assets at amortized cost pledged as collateral, refer to Note 37.

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.

| March 31, 2025 | At FVTOCI | At Amortized Cost | Total |
|-----------------------|-----------------------|-----------------------|-----------------------|
| Total carrying amount | \$ 465,622,200 | \$ 180,801,863 | \$ 646,424,063 |
| Loss allowance | (142,592) | (3,917) | (146,509) |
| Amortized cost | 465,479,608 | <u>\$ 180,797,946</u> | 646,277,554 |
| Fair value adjustment | (6,593,653) | | (6,593,653) |
| | <u>\$ 458,885,955</u> | | <u>\$ 639,683,901</u> |
| December 31, 2024 | At FVTOCI | At Amortized Cost | Total |
| Total carrying amount | \$ 432,439,394 | \$ 235,151,978 | \$ 667,591,372 |
| Loss allowance | (136,013) | (5,220) | (141,233) |
| Amortized cost | 432,303,381 | <u>\$ 235,146,758</u> | 667,450,139 |
| Fair value adjustment | (8,463,133) | | (8,463,133) |
| | <u>\$ 423,840,248</u> | | <u>\$ 658,987,006</u> |
| March 31, 2024 | At FVTOCI | At Amortized Cost | Total |
| Total carrying amount | \$ 389,052,943 | \$ 232,688,193 | \$ 621,741,136 |
| Loss allowance | (156,944) | (6,288) | (163,232) |
| Amortized cost | 388,895,999 | <u>\$ 232,681,905</u> | 621,577,904 |
| Fair value adjustment | (9,818,079) | | (9,818,079) |
| | <u>\$ 379,077,920</u> | | <u>\$ 611,759,825</u> |

The Group implements a policy of investing in debt instruments with investment grade and have low credit risk, For the purpose of impairment assessment, the Group continues to track external rating information and monitors changes in credit risk of the investments of debt instruments and reviews 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 Group 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 Group's current credit risk rating mechanism and the total carrying amount of each credit rating investment in debt instruments were as follows:

March 31, 2025

| Credit Rating | Definitions | Expected Credit Loss Recognition Base | Expected Credit Loss Rate | March 31, 2025 Total Carrying Amount |
|---------------|--------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|---------------------------|-----------------------------------------|
| 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%~ 1.710% | \$ 645,880,061 |
| 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% | 544,002 |

December 31, 2024

| Credit Rating | Definitions | Expected Credit Loss Recognition Base | Expected Credit Loss Rate | December 31, 2024 Total Carrying Amount |
|---------------|--------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|---------------------------|--------------------------------------------|
| 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%~ 1.710% | \$ 667,185,100 |
| 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 |

March 31, 2024

| Credit Rating | Definitions | Expected Credit Loss Recognition Base | Expected Credit Loss Rate | March 31, 2024 Total Carrying Amount |
|---------------|--------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|---------------------------|-----------------------------------------|
| 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%~ 2.030% | \$ 620,853,082 |
| Stage 2 | Credit risk has increased significantly since the initial recognition | Expected credit loss during the period of existence (no credit impairment) | 0.396%~ 3.389% | 792,059 |
| Stage 3 | Evidence of credit impairment | Expected credit loss during the period of existence (credit impairment) | 40.417% | 95,995 |

Information on changes in allowance for impairment loss of investments in debt instruments at FVTOCI and at amortized cost is summarized as follows:

Investments in debt instruments at FVTOCI

| | Credit Risk Rating | | | |
|-------------------------------------------------------|-------------------------------|-----------------------------------------------------|--------------------------------------------------|-------------------|
| | Stage 1 (12-Month ECLs) | Stage 2 (Lifetime ECLs without impairment) | Stage 3 (Lifetime ECLs with impairment) | Total |
| Balance at January 1, 2025 | \$ 110,000 | \$ 26,013 | \$ - | \$ 136,013 |
| Stage transfer-to lifetime ECLs without impairment | (268) | 268 | - | - |
| Purchase of new debt instruments | 16,192 | - | - | 16,192 |
| Derecognition | (9,930) | (164) | - | (10,094) |
| Provisions (reversal) | (131) | (165) | - | (296) |
| Exchange rate and other changes | 786 | (9) | - | 777 |
| Balance at March 31, 2025 | <u>\$ 116,649</u> | <u>\$ 25,943</u> | <u>\$ -</u> | <u>\$ 142,592</u> |

| | Credit Risk Rating | | | |
|-------------------------------------------------------|-------------------------------|-----------------------------------------------------|--------------------------------------------------|-------------------|
| | Stage 1 (12-Month ECLs) | Stage 2 (Lifetime ECLs without impairment) | Stage 3 (Lifetime ECLs with impairment) | Total |
| Balance at January 1, 2024 | \$ 107,370 | \$ 10,691 | \$ 37,689 | \$ 155,750 |
| Stage transfer-to lifetime ECLs without impairment | (91) | 91 | - | - |
| Purchase of new debt instruments | 9,670 | - | - | 9,670 |
| Derecognition | (8,235) | - | - | (8,235) |
| Provisions (reversal) | (3,604) | 1,741 | 894 | (969) |
| Exchange rate and other changes | 1,720 | (992) | - | 728 |
| Balance at March 31, 2024 | <u>\$ 106,830</u> | <u>\$ 11,531</u> | <u>\$ 38,583</u> | <u>\$ 156,944</u> |

Investments in debt instruments at amortized cost

| | Credit Risk Rating | | |
|----------------------------------|----------------------------|----------------------------|-----------------|
| | Stage 1 (12-Month ECLs) | Stage 2 (Lifetime ECLs) | Total |
| Balance at January 1, 2025 | \$ 5,220 | \$ - | \$ 5,220 |
| Purchase of new debt instruments | 42 | - | 42 |
| Derecognition | (1,048) | - | (1,048) |
| Provisions (reversal) | 8,786 | - | 8,786 |
| Exchange rate and other changes | (9,083) | - | (9,083) |
| Balance at March 31, 2025 | <u>\$ 3,917</u> | <u>\$ -</u> | <u>\$ 3,917</u> |
| Balance at January 1, 2024 | \$ 6,974 | \$ - | \$ 6,974 |
| Purchase of new debt instruments | 120 | - | 120 |
| Derecognition | (637) | - | (637) |
| Provisions (reversal) | (263) | - | (263) |
| Exchange rate and other changes | 94 | - | 94 |
| Balance at March 31, 2024 | <u>\$ 6,288</u> | <u>\$ -</u> | <u>\$ 6,288</u> |

12. SECURITIES PURCHASED UNDER RESELL AGREEMENTS

Securities purchased under resell agreements as of March 31, 2025, December 31, 2024 and March 31, 2024 was \$12,106,860 thousand, \$8,408,560 thousand and \$5,301,087 thousand, respectively. The aforementioned securities will be bought back before April 30, 2025, January 17, 2025 and April 26, 2024 at \$12,119,125 thousand, \$8,415,417 thousand and \$5,426,224 thousand, respectively.

13. RECEIVABLES, NET

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|--------------------------------------------------|----------------------|----------------------|----------------------|
| Accrued interest | \$ 9,334,374 | \$ 10,114,478 | \$ 8,088,504 |
| Accounts receivable due from sales of securities | 3,785,479 | 2,200,935 | 2,386,041 |
| Credit card receivables | 3,699,446 | 4,187,443 | 4,717,052 |
| Accounts receivable due from sale of real estate | 3,269,865 | 1,959,975 | - |
| Acceptances | 2,761,467 | 1,816,601 | 1,530,073 |
| Finance lease receivable | 625,964 | 683,527 | 582,621 |
| Accounts receivable - factoring | 207,599 | 228,353 | 278,628 |
| Others | 3,255,797 | 4,163,092 | 3,370,768 |
| | 26,939,991 | 25,354,404 | 20,953,687 |
| Less: Allowance for credit losses | (598,999) | (605,735) | (482,220) |
| | <u>\$ 26,340,992</u> | <u>\$ 24,748,669</u> | <u>\$ 20,471,467</u> |

The changes in total carrying amount and the allowance of receivables and other financial assets for the three months ended March 31, 2025 and 2024 (including non-accrual loans and bills of exchange, refer to Note 17) are as follows:

For the Three Months Ended March 31, 2025

| | 12-Month ECLs | Lifetime ECLs (Collectively) | Lifetime ECLs (Individually) | Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets) | Total |
|----------------------------------------------------------------------------|---------------|---------------------------------|---------------------------------|-----------------------------------------------------------------------------------------------------|---------------|
| Receivables and other financial assets | | | | | |
| Beginning on January 1, 2025 | \$ 23,673,538 | \$ 162,447 | \$ 191,892 | \$ 1,333,574 | \$ 25,361,451 |
| Changes due to financial assets recognized at the beginning of the period: | | | | | |
| Transfer to lifetime ECLs | (119,938) | 65,046 | 55,597 | (705) | - |
| Transfer to ECLs on financial assets | (6,062) | (12,860) | (3,766) | 22,688 | - |
| Transfer to 12-month ECLs | 90,620 | (36,289) | (54,334) | 3 | - |
| Financial assets derecognized in the current period | (2,020,224) | (25,200) | (11,057) | (3,161) | (2,059,642) |
| Transfer or pay off the original amount | (110,720) | 31,527 | 117,201 | 488,790 | 526,798 |
| Purchased or originated financial assets | 2,954,090 | 27,129 | 15,715 | 141 | 2,997,075 |
| Write-offs | - | - | - | (16,331) | (16,331) |
| Exchange rate and other changes | 117,258 | 573 | 3,300 | 18,663 | 139,794 |
| Balance on March 31, 2025 | \$ 24,578,562 | \$ 212,373 | \$ 314,548 | \$ 1,843,662 | \$ 26,949,145 |

| | 12-Month ECLs | Lifetime ECLs (Collectively) | Lifetime ECLs (Individually) | 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 |
|----------------------------------------------------------------------------|---------------|---------------------------------|---------------------------------|--------------------------------------------------------------------------------------------------|----------------------------------------------------|----------------------------------------------------------------------|------------|
| Allowance | | | | | | | |
| Beginning on January 1, 2025 | \$ 360,039 | \$ 24,377 | \$ 7,526 | \$ 190,774 | \$ 582,716 | \$ 28,194 | \$ 610,910 |
| Changes due to financial assets recognized at the beginning of the period: | | | | | | | |
| Transfer to lifetime ECLs | (884) | 553 | 752 | (421) | - | - | - |
| Transfer to ECLs on financial assets | (75) | (955) | (330) | 1,360 | - | - | - |
| Transfer to 12-month ECLs | 13,703 | (11,767) | (1,936) | - | - | - | - |
| Financial assets derecognized in the current period | (3,431) | (3,371) | (30) | (8,115) | (14,947) | - | (14,947) |
| Provisions (reversal) | 3,872 | 18,865 | 769 | 13,167 | 36,673 | - | 36,673 |
| Purchased or originated financial assets | 9,949 | 1,431 | (21) | 36,804 | 48,163 | - | 48,163 |
| The difference of impairment under the regulation or decree | - | - | - | - | - | 3,167 | 3,167 |
| Write-offs | - | - | - | (16,331) | (16,331) | - | (16,331) |
| Recoveries after write-off | - | - | - | 8,781 | 8,781 | - | 8,781 |
| Exchange rate and other changes | (70,701) | 30 | 80 | 2,328 | (68,263) | - | (68,263) |
| Balance on March 31, 2025 | \$ 312,472 | \$ 29,163 | \$ 6,810 | \$ 228,347 | \$ 576,792 | \$ 31,361 | \$ 608,153 |

For the Three Months Ended March 31, 2024

| | 12-Month ECLs | Lifetime ECLs (Collectively) | Lifetime ECLs (Individually) | Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets) | Total |
|----------------------------------------------------------------------------|---------------|---------------------------------|---------------------------------|-----------------------------------------------------------------------------------|---------------|
| Receivables and other financial assets | | | | | |
| Beginning on January 1, 2024 | \$ 21,833,723 | \$ 292,822 | \$ 207,560 | \$ 493,672 | \$ 22,827,777 |
| Changes due to financial assets recognized at the beginning of the period: | | | | | |
| Transfer to lifetime ECLs | (119,401) | 66,029 | 53,361 | 11 | - |
| Transfer to ECLs on financial assets | (7,276) | (13,050) | (1,602) | 21,928 | - |
| Transfer to 12-month ECLs | 152,431 | (44,444) | (107,456) | (531) | - |
| Financial assets derecognized in the current period | (2,322,422) | (149,370) | (25,500) | (4,481) | (2,501,773) |
| Transfer or pay off the original amount | (1,424,476) | (2,181) | 28,788 | 13,720 | (1,384,149) |
| Purchased or originated financial assets | 1,880,890 | 59,956 | 3,493 | 217 | 1,944,556 |
| Write-offs | - | - | - | (13,003) | (13,003) |
| Exchange rate and other changes | 62,205 | 95 | 7,495 | 17,659 | 87,454 |
| Balance on March 31, 2024 | \$ 20,055,674 | \$ 209,857 | \$ 166,139 | \$ 529,192 | \$ 20,960,862 |

| | 12-Month ECLs | Lifetime ECLs (Collectively) | Lifetime ECLs (Individually) | 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 |
|----------------------------------------------------------------------------|---------------|---------------------------------|---------------------------------|--------------------------------------------------------------------------------------------------|----------------------------------------------------|----------------------------------------------------------------------|------------|
| Allowance | | | | | | | |
| Beginning on January 1, 2024 | \$ 285,786 | \$ 50,484 | \$ 6,536 | \$ 33,682 | \$ 376,488 | \$ 12,918 | \$ 389,406 |
| Changes due to financial assets recognized at the beginning of the period: | | | | | | | |
| Transfer to lifetime ECLs | (667) | 502 | 165 | - | - | - | - |
| Transfer to ECLs on financial assets | (45) | (2,419) | (237) | 2,701 | - | - | - |
| Transfer to 12-month ECLs | 20,650 | (18,417) | (2,007) | (226) | - | - | - |
| Financial assets derecognized in the current period | (5,610) | (16,132) | (84) | (2,023) | (23,849) | - | (23,849) |
| Provisions (reversal) | 30,557 | 23,912 | 1,333 | 3,669 | 59,471 | - | 59,471 |
| Purchased or originated financial assets | 6,145 | 5,786 | 28 | 1,032 | 12,991 | - | 12,991 |
| The difference of impairment under the regulation or decree | - | - | - | - | - | (2,613) | (2,613) |
| Changes in model/risk parameters | 2,594 | - | 36 | (522) | 2,108 | - | 2,108 |
| Write-offs | - | - | - | (13,003) | (13,003) | - | (13,003) |
| Recoveries after write-off | - | - | - | 6,976 | 6,976 | - | 6,976 |
| Exchange rate and other changes | 59,517 | 518 | 250 | 241 | 60,526 | (2,618) | 57,908 |
| Balance on March 31, 2024 | \$ 398,927 | \$ 44,234 | \$ 6,020 | \$ 32,527 | \$ 481,708 | \$ 7,687 | \$ 489,395 |

14. DISCOUNTS AND LOANS, NET

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|------------------------------------|-------------------------|-------------------------|-------------------------|
| Loans | \$ 1,188,814,710 | \$ 1,202,227,420 | \$ 1,214,136,283 |
| Inward/outward documentary bills | 15,078,430 | 15,590,404 | 15,955,247 |
| Overdrafts | 12,603,725 | 12,722,988 | 15,037,956 |
| Non-performing loans | 12,991,281 | 8,204,708 | 6,223,320 |
| | 1,229,488,146 | 1,238,745,520 | 1,251,352,806 |
| Discount and premium adjustments | (171,986) | (161,259) | (177,121) |
| Provisions for loans and discounts | (18,242,138) | (17,567,744) | (14,595,624) |
| | <u>\$ 1,211,074,022</u> | <u>\$ 1,221,016,517</u> | <u>\$ 1,236,580,061</u> |

The Group discontinues accruing interest when loans are deemed non-performing. For the three months ended March 31, 2025 and 2024, the unrecognized interest revenue on the non-performing loans amounted to \$150,473 thousand and \$118,078 thousand, respectively.

For the three months ended March 31, 2025 and 2024, the Group 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 three months ended March 31, 2025 and 2024 are as follows:

For the Three Months Ended March 31, 2025

| | 12-Month ECLs | Lifetime ECLs (Collectively) | Lifetime ECLs (Individually) | Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets) | Lifetime ECLs (Purchased or Originated Credit Impairment on Financial Assets) | Total |
|----------------------------------------------------------------------------|------------------|---------------------------------|---------------------------------|-----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|------------------|
| Discounts and loans | | | | | | |
| Beginning on January 1, 2025 | \$ 1,168,838,144 | \$ 10,596,615 | \$ 39,664,258 | \$ 19,640,468 | \$ 6,035 | \$ 1,238,745,520 |
| Changes due to financial assets recognized at the beginning of the period: | | | | | | |
| Transfer to lifetime ECLs | (3,382,301) | 1,277,528 | 2,112,428 | (7,655) | - | - |
| Transfer to ECLs on financial assets | (11,331,742) | (320,272) | (10,172,867) | 21,824,881 | - | - |
| Transfer to 12-month ECLs | 6,658,305 | (2,546,042) | (4,044,987) | (67,276) | - | - |
| Financial assets derecognized in the current period | (182,408,498) | (4,692,433) | (5,858,262) | (614,636) | - | (193,573,829) |
| Transfer or pay off the original amount | (15,332,073) | (84,493) | (527,790) | (1,513,897) | - | (17,458,253) |
| Purchased or originated financial assets | 187,308,210 | 4,148,083 | 4,568,965 | 161,235 | - | 196,186,493 |
| Write-offs | (683) | (328) | - | (1,070,705) | - | (1,071,716) |
| Exchange rate and other changes | 5,747,331 | 23,337 | 300,721 | 588,512 | 30 | 6,659,931 |
| Balance on March 31, 2025 | \$ 1,156,096,693 | \$ 8,401,995 | \$ 26,042,466 | \$ 38,940,927 | \$ 6,065 | \$ 1,229,488,146 |

| | 12-Month ECLs | Lifetime ECLs (Collectively) | Lifetime ECLs (Individually) | Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets) | Lifetime ECLs (Purchased or Originated Credit Impairment on Financial Assets) | Impairment Under the Guidelines of IFRS 9 | The Difference of Impairment under the Regulatory Decree | Total |
|----------------------------------------------------------------------------|---------------|---------------------------------|---------------------------------|-----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|----------------------------------------------------|----------------------------------------------------------------------|---------------|
| Allowance | | | | | | | | |
| Beginning on January 1, 2025 | \$ 1,122,090 | \$ 1,336,250 | \$ 716,669 | \$ 5,508,629 | \$ - | \$ 8,683,638 | \$ 8,884,106 | \$ 17,567,744 |
| Changes due to financial assets recognized at the beginning of the period: | | | | | | | | |
| Transfer to lifetime ECLs | (6,055) | 4,726 | 4,290 | (2,961) | - | - | - | - |
| Transfer to ECLs on financial assets | (16,431) | (38,749) | (91,410) | 146,590 | - | - | - | - |
| Transfer to 12-month ECLs | 1,054,166 | (981,637) | (44,760) | (27,769) | - | - | - | - |
| Financial assets derecognized in the current period | (162,393) | (190,086) | (41,764) | (268,603) | - | (662,846) | - | (662,846) |
| Provisions (reversal) | (1,037,999) | 152,598 | 38,222 | 262,856 | - | (584,323) | - | (584,323) |
| Purchased or originated financial assets | 404,445 | 111,141 | (61,955) | 873,909 | - | 1,327,540 | - | 1,327,540 |
| The difference of impairment under the regulation or decree | - | - | - | - | - | - | 1,322,915 | 1,322,915 |
| Write-offs | (10) | (79) | - | (1,070,704) | - | (1,070,793) | - | (1,070,793) |
| Recoveries of write-offs | - | - | - | 53,894 | - | 53,894 | 173,696 | 227,590 |
| Exchange rate and other changes | 44,223 | 945 | 5,789 | 63,354 | - | 114,311 | - | 114,311 |
| Balance on March 31, 2025 | \$ 1,402,036 | \$ 395,109 | \$ 525,081 | \$ 5,539,195 | \$ - | \$ 7,861,421 | \$ 10,380,717 | \$ 18,242,138 |

For the Three Months Ended March 31, 2024

| | 12-Month ECLs | Lifetime ECLs (Collectively) | Lifetime ECLs (Individually) | Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets) | Lifetime ECLs (Purchased or Originated Credit Impairment on Financial Assets) | Total |
|----------------------------------------------------------------------------|------------------|---------------------------------|---------------------------------|-----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|------------------|
| Discounts and loans | | | | | | |
| Beginning on January 1, 2024 | \$ 1,192,170,250 | \$ 7,379,856 | \$ 29,962,734 | \$ 18,052,189 | \$ 43,171 | \$ 1,247,608,200 |
| Changes due to financial assets recognized at the beginning of the period: | | | | | | |
| Transfer to lifetime ECLs | (5,592,695) | 1,398,964 | 4,213,435 | (19,704) | - | - |
| Transfer to ECLs on financial assets | (343,997) | (505,586) | (450,275) | 1,299,858 | - | - |
| Transfer to 12-month ECLs | 2,227,993 | (334,557) | (1,798,406) | (95,030) | - | - |
| Financial assets derecognized in the current period | (149,890,775) | (870,957) | (3,466,380) | (191,584) | - | (154,419,696) |
| Transfer or pay off the original amount | (22,456,766) | (106,580) | (673,465) | 15,967 | (16) | (23,220,860) |
| Purchased or originated financial assets | 160,791,787 | 755,587 | 3,679,373 | 165,820 | - | 165,392,567 |
| Write-offs | (587) | (195) | - | (2,439,517) | - | (2,440,299) |
| Exchange rate and other changes | 16,570,386 | 112,718 | 1,206,441 | 541,596 | 1,753 | 18,432,894 |
| Balance on March 31, 2024 | \$ 1,193,475,596 | \$ 7,829,250 | \$ 32,673,457 | \$ 17,329,595 | \$ 44,908 | \$ 1,251,352,806 |

| | 12-Month ECLs | Lifetime ECLs (Collectively) | Lifetime ECLs (Individually) | Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets) | Lifetime ECLs (Purchased or Originated Credit Impairment on Financial Assets) | Impairment Under the Guidelines of IFRS 9 | The Difference of Impairment under the Regulatory Decree | Total |
|----------------------------------------------------------------------------|---------------|---------------------------------|---------------------------------|-----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|----------------------------------------------------|----------------------------------------------------------------------|---------------|
| Allowance | | | | | | | | |
| Beginning on January 1, 2024 | \$ 1,473,362 | \$ 1,090,387 | \$ 563,187 | \$ 3,521,688 | \$ 9,806 | \$ 6,658,430 | \$ 9,542,614 | \$ 16,201,044 |
| Changes due to financial assets recognized at the beginning of the period: | | | | | | | | |
| Transfer to lifetime ECLs | (17,433) | 12,160 | 15,837 | (10,564) | - | - | - | - |
| Transfer to ECLs on financial assets | (717) | (53,131) | (7,531) | 61,379 | - | - | - | - |
| Transfer to 12-month ECLs | 132,778 | (54,832) | (27,897) | (50,049) | - | - | - | - |
| Financial assets derecognized in the current period | (258,419) | (57,427) | (17,993) | (60,105) | - | (393,944) | - | (393,944) |
| Provisions (reversal) | 101,510 | 550,587 | 18,507 | 961,348 | - | 1,631,952 | - | 1,631,952 |
| Purchased or originated financial assets | 323,217 | 185,469 | 21,409 | 45,542 | - | 575,637 | - | 575,637 |
| The difference of impairment under the regulation or decree | - | - | - | - | - | - | (1,433,276) | (1,433,276) |
| Changes in model/risk parameters | 153,338 | - | 85,071 | 16,881 | 32 | 255,322 | - | 255,322 |
| Write-offs | (7) | (41) | - | (2,439,497) | - | (2,439,545) | - | (2,439,545) |
| Recoveries of write-offs | - | - | - | 42,785 | - | 42,785 | - | 42,785 |
| Exchange rate and other changes | 30,943 | 14,380 | 24,499 | 85,428 | 399 | 155,649 | - | 155,649 |
| Balance on March 31, 2024 | \$ 1,938,572 | \$ 1,687,552 | \$ 675,089 | \$ 2,174,836 | \$ 10,237 | \$ 6,486,286 | \$ 8,109,338 | \$ 14,595,624 |

The details of bad debt expense, commitment and guarantee liability provisions for the three months ended March 31, 2025 and 2024 are listed as below:

| | For the Three Months Ended March 31 | |
|--------------------------------------------------------------------|-------------------------------------|-------------------|
| | 2025 | 2024 |
| Provisions for loans and discounts | \$ 1,403,286 | \$ 635,691 |
| Provisions for receivables and other financial assets | 73,056 | 48,108 |
| Provisions (reversal) for reserve of possible losses on guarantees | 32,340 | 18,140 |
| Other provisions (reversal) | (537) | (3,260) |
| | <u>\$ 1,508,145</u> | <u>\$ 698,679</u> |

15. SUBSIDIARIES

15.1 Subsidiaries included in the consolidated financial statements

The consolidated financial statements include the Bank and entities controlled by the Bank.

| Investor | Investee | Nature of Activities | Proportion of Ownership (%) | | | Note |
|-------------------------------------|--------------------------------------------|--------------------------------------------------------------|-----------------------------|-------------------|----------------|------|
| | | | March 31, 2025 | December 31, 2024 | March 31, 2024 | |
| Domestic subsidiaries | | | | | | |
| The Bank | China Travel Service (Taiwan) | Traveling | 99.99 | 99.99 | 99.99 | 1. |
| The Bank | SCSB Marketing Ltd. | Human resource services | 100.00 | 100.00 | 100.00 | 1. |
| | | Purchase, evaluation, auction | | | | |
| The Bank | SCSB Asset Management Ltd. | and management of creditor's right of financial institutions | 100.00 | 100.00 | 100.00 | 1. |
| China Travel Service (Taiwan) | CTS Travel International Ltd. | Traveling | 100.00 | 100.00 | 100.00 | 1. |
| Foreign subsidiaries | | | | | | |
| The Bank | Shancom Reconstruction AG | Investment holding | 100.00 | 100.00 | 100.00 | |
| The Bank | Wresqueue Limitada | Investment holding | 100.00 | 100.00 | 100.00 | 1. |
| The Bank | Paofong Insurance Company Ltd. | Insurance | 40.00 | 40.00 | 40.00 | 1. |
| The Bank | AMK Microfinance Institution Plc. | Microfinance | 99.99 | 99.99 | 99.99 | 1. |
| SCSB Asset Management Ltd. | SCSB Leasing (China) Co., Ltd. | Leasing operation | 100.00 | 100.00 | 100.00 | 1. |
| Wresqueue Limitada | Prosperity Realty Inc. | Real estate service | 100.00 | 100.00 | 100.00 | 1. |
| Shancom Reconstruction AG | Empresa Inversiones Generales, S.A. | Investment holding | 100.00 | 100.00 | 100.00 | |
| Shancom Reconstruction AG | Krinein Company | Investment holding | 100.00 | 100.00 | 100.00 | |
| Shancom Reconstruction AG | Safehaven Investment Corporation | Investment holding | 100.00 | 100.00 | 100.00 | |
| Empresa Inversiones Generales, S.A. | Shanghai Commercial Bank (HK) | Banking | 48.00 | 48.00 | 48.00 | 2. |
| Krinein Company | Shanghai Commercial Bank (HK) | Banking | 9.60 | 9.60 | 9.60 | 2. |
| Shanghai Commercial Bank (HK) | Shanghai Commercial Bank (Nominees) Ltd. | Nominee services | 100.00 | 100.00 | 100.00 | 1. |
| Shanghai Commercial Bank (HK) | Shanghai Commercial Bank Trustee Ltd. | Trustee services | 60.00 | 60.00 | 60.00 | 1. |
| Shanghai Commercial Bank (HK) | Shacom Futures Ltd. | Commodities trading | 100.00 | 100.00 | 100.00 | 1. |
| Shanghai Commercial Bank (HK) | Shacom Investment Ltd. | Investment in exchange fund bills and notes | 100.00 | 100.00 | 100.00 | 1. |
| Shanghai Commercial Bank (HK) | Shacom Property Holdings (BVI) Limited | Property holding | 100.00 | 100.00 | 100.00 | 1. |
| Shanghai Commercial Bank (HK) | Shacom Property (NY) Inc. | Property holding | 100.00 | 100.00 | 100.00 | 1. |
| Shanghai Commercial Bank (HK) | Shacom Property (CA) Inc. | Property holding | 100.00 | 100.00 | 100.00 | 1. |
| Shanghai Commercial Bank (HK) | Shacom Assets Investment Ltd. | Investment in bonds | 100.00 | 100.00 | 100.00 | 1. |
| Shanghai Commercial Bank (HK) | Infinite Financial Solutions Limited | I.T. application services provider | 100.00 | 100.00 | 100.00 | 1. |
| Shanghai Commercial Bank (HK) | Shacom Insurance Brokers Ltd. | Insurance broker | 100.00 | 100.00 | 100.00 | 1. |
| Shanghai Commercial Bank (HK) | Shacom Securities Ltd. | Securities brokerage services | 100.00 | 100.00 | 100.00 | 1. |
| Shanghai Commercial Bank (HK) | Hai Kwang Property Management Co., Ltd. | Property management | 100.00 | 100.00 | 100.00 | 1. |
| Shanghai Commercial Bank (HK) | Paofong Insurance Company Ltd. | Insurance | 60.00 | 60.00 | 60.00 | 1. |
| Shanghai Commercial Bank (HK) | Right Honour Investments Limited | Property holding | 100.00 | 100.00 | 100.00 | 1. |
| Shanghai Commercial Bank (HK) | KCC 23F Limited | Property holding | 100.00 | 100.00 | 100.00 | 1. |
| Shanghai Commercial Bank (HK) | KCC 25F Limited | Property holding | 100.00 | 100.00 | 100.00 | 1. |
| Shanghai Commercial Bank (HK) | KCC 26F Limited | Property holding | 100.00 | 100.00 | 100.00 | 1. |
| Right Honour Investments Limited | Glory Step Westpoint Investment Limited | Property holding | 100.00 | 100.00 | 100.00 | 1. |
| Right Honour Investments Limited | Silver Wisdom Westpoint Investment Limited | Property holding | 100.00 | 100.00 | 100.00 | 1. |

Note 1: The entity is an immaterial subsidiary; its financial statements have not been reviewed.

Note 2: The entity is a subsidiary with material non-controlling interests.

15.2 Details of subsidiaries that have material non-controlling interests ("NCI")

| Name of Subsidiary | Principal Place of Business | Proportion of Ownership and Voting Rights Held by Non-controlling Interests | | |
|-------------------------------------|-----------------------------|-----------------------------------------------------------------------------|-------------------|----------------|
| | | March 31, 2025 | December 31, 2024 | March 31, 2024 |
| Shanghai Commercial Bank (H.K.) | Hong Kong | 42.40% | 42.40% | 42.40% |
| | | Profit Allocated to Non-controlling Interests | | |
| | | For the Three Months Ended March 31 | | |
| | | 2025 | 2024 | |
| Shanghai Commercial Bank (H.K.) | | | | |
| (excluding NCI in its subsidiaries) | | \$ 1,233,505 | \$ 934,707 | |

| Name of Subsidiary | Accumulated Non-controlling | | |
|------------------------------------------------------------------------|-----------------------------|-------------------|----------------|
| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
| Shanghai Commercial Bank (H.K.) (excluding NCI in its subsidiaries) | \$ 72,003,974 | \$ 68,956,237 | \$ 64,408,524 |

The summarized financial information of the following subsidiaries is compiled based on the amounts before the eliminations of inter-company transactions:

Shanghai Commercial Bank (SCB) (H.K.) and its subsidiaries

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---------------------------|----------------|-------------------|----------------|
| Assets | \$ 985,530,407 | \$ 961,468,370 | \$ 923,484,061 |
| Liabilities | (816,083,992) | (799,492,735) | (771,775,030) |
| NCI of SCB's subsidiaries | (508,119) | (493,519) | (441,346) |
| Equity | \$ 168,938,296 | \$ 161,482,116 | \$ 151,267,685 |

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|-------------------------|----------------|-------------------|----------------|
| Equity attributable to: | | | |
| Owners of SCSB | \$ 97,308,458 | \$ 93,013,699 | \$ 87,130,187 |
| NCI of SCSB | 71,629,838 | 68,468,417 | 64,137,498 |
| | \$ 168,938,296 | \$ 161,482,116 | \$ 151,267,685 |

| | For the Three Months Ended March 31 | |
|-------------------------------------------|-------------------------------------|--------------|
| | 2025 | 2024 |
| Revenue | \$ 6,736,196 | \$ 5,277,367 |
| Net profit for the period | \$ 2,916,866 | \$ 2,203,915 |
| Other comprehensive income for the period | 2,737,299 | 1,651,808 |
| Total comprehensive income for the period | \$ 5,654,165 | \$ 3,855,723 |

| | | |
|---------------------------|--------------|--------------|
| Profit attributable to: | | |
| Owners of SCSB | \$ 1,674,802 | \$ 1,268,974 |
| NCI of SCSB | 1,232,841 | 934,106 |
| NCI of SCB's subsidiaries | 9,223 | 835 |
| | \$ 2,916,866 | \$ 2,203,915 |

| | | |
|---------------------------------------------|--------------|--------------|
| Total comprehensive income attributable to: | | |
| Owners of SCSB | \$ 3,251,532 | \$ 2,220,413 |
| NCI of SCSB | 2,393,488 | 1,634,471 |
| NCI of SCB's subsidiaries | 9,145 | 839 |
| | \$ 5,654,165 | \$ 3,855,723 |

| | For the Three Months Ended March 31 | |
|---------------------------------|-------------------------------------|---------------|
| | 2025 | 2024 |
| Net cash inflow (outflow) from: | | |
| Operating activities | (\$ 46,488,741) | \$ 30,852,613 |
| Investing activities | 5,104,329 | 13,390,355 |
| Financing activities | (101,101) | (10,053,202) |
| Net cash inflow | (\$ 41,485,513) | \$ 34,189,766 |

16. INVESTMENTS UNDER THE EQUITY METHOD

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---------------------------|----------------|-------------------|----------------|
| Investments in associates | \$ 1,674,128 | \$ 1,559,287 | \$ 2,382,979 |

The Group decreased the carrying value of Kuo Hai to zero and recognized losses on this investment because of the investee's continuous operating losses over the years.

On December 24, 2024, Shanghai Commercial Bank (HK) had passed the meeting of directors in accordance with the policies of all shareholders. The meeting approved the sale of Hong Kong Life Insurance Co., Ltd., and reclassified the original account using the equity method as an asset held for sale, with an amount of HK\$246,010 thousand.

Information on comprehensive income of immaterial associates was summarized as follows:

| | For the Three Months Ended March 31 | |
|-------------------------------------------|-------------------------------------|-------------------|
| | 2025 | 2024 |
| Profit from continuing operations | \$ 91,751 | \$ 78,832 |
| Other comprehensive income for the period | 6,805 | 105,768 |
| Total comprehensive income for the period | <u>\$ 98,556</u> | <u>\$ 184,600</u> |

17. OTHER FINANCIAL ASSETS, NET

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|------------------------------------------------------|----------------|-------------------|----------------|
| Non-performing receivables | \$ 9,154 | \$ 5,175 | \$ 7,175 |
| Bills of exchange | - | 1,872 | - |
| | 9,154 | 7,047 | 7,175 |
| Allowance for non-performing credit card receivables | (9,154) | (5,175) | (7,175) |
| | <u>\$ -</u> | <u>\$ 1,872</u> | <u>\$ -</u> |

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

The balances of credit card receivables which were reported as non-performing amounted to \$9,154 thousand \$5,175 thousand and \$7,175 thousand as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively. The unrecognized interest revenue on the receivables amounted to \$78 thousand and \$110 thousand for the three months ended March 31, 2025 and 2024, respectively.

18. PROPERTIES, NET

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|------------------------------------------|----------------------|----------------------|----------------------|
| Land | \$ 14,871,389 | \$ 14,422,851 | \$ 14,358,402 |
| Buildings and improvements | 8,058,505 | 4,074,589 | 4,121,419 |
| Mechanical equipment | 721,225 | 778,585 | 765,930 |
| Miscellaneous equipment | 621,125 | 632,404 | 562,997 |
| Transportation equipment | 43,415 | 44,688 | 50,086 |
| Construction in progress and prepayments | 18,176 | 4,237,723 | 3,810,228 |
| | <u>\$ 24,333,835</u> | <u>\$ 24,190,840</u> | <u>\$ 23,669,062</u> |

The Group did not have any impairment losses on the properties as of March 31, 2025, December 31, 2024 and March 31 2024.

The land which was owned by SCB (HK) disclosed above is a leasehold interest.

Depreciation expense of properties held by SCSB is computed using the straight-line method over the useful life as follows:

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

Depreciation expense of the land held by SCB (HK) is computed using the straight-line method; depreciation expense of the buildings is computed over the lease term or the straight-line method of less than 40 durable years. Other equipment is computed using the straight-line method within the durability of 4 to 10 years.

19. LEASE ARRANGEMENTS

19.1 Right-of-use assets

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|----------------------------------------------|-------------------------------------|---------------------|---------------------|
| Carrying amount of right-of-use assets | | | |
| Buildings and improvements | \$ 1,650,950 | \$ 1,690,875 | \$ 1,885,684 |
| Office equipment | 53,914 | 60,215 | 11,733 |
| Mechanical equipment | 45,793 | 53,229 | 67,327 |
| Transportation equipment | 42,083 | 44,904 | 33,802 |
| Land | 4,498 | 5,014 | 6,669 |
| | <u>\$ 1,797,238</u> | <u>\$ 1,854,237</u> | <u>\$ 2,005,215</u> |
| | For the Three Months Ended March 31 | | |
| | 2025 | 2024 | |
| Increase in right-of-use assets | <u>\$ 146,446</u> | <u>\$ 296,618</u> | |
| Depreciation expenses of right-of-use assets | | | |
| Buildings and improvements | \$ 182,731 | \$ 186,613 | |
| Office equipment | 6,940 | 8,077 | |
| Mechanical equipment | 5,247 | 3,903 | |
| Transportation equipment | 4,445 | 3,892 | |
| Land | 605 | 586 | |
| | <u>\$ 199,968</u> | <u>\$ 203,071</u> | |

19.2 Lease liabilities

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|--------------------------------------|---------------------|---------------------|---------------------|
| Carrying amount of lease liabilities | <u>\$ 1,826,708</u> | <u>\$ 1,878,459</u> | <u>\$ 2,011,652</u> |

The discount rate intervals for lease liabilities are as follows:

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|----------------------------|----------------|-------------------|----------------|
| Buildings and improvements | 0.60%~8.57% | 0.60%~8.57% | 0.60%~8.57% |
| Office equipment | 1.15% ~ 5.43% | 1.15% ~ 5.43% | 0.95%~5.40% |
| Mechanical equipment | 0.60%~8.57% | 0.60%~8.57% | 0.60%~8.57% |
| Transportation equipment | 0.60%~2.89% | 0.60%~2.89% | 0.60%~2.89% |
| Land | 8.57% | 8.57% | 8.57% |

19.3 Other lease information

| | For the Three Months Ended March 31 | |
|----------------------------------------------------------------------------------|-------------------------------------|-------------------|
| | 2025 | 2024 |
| Short-term lease expenses | <u>\$ 30,981</u> | <u>\$ 10,184</u> |
| Leases of low value assets | <u>\$ 19,495</u> | <u>\$ 2,003</u> |
| Variable lease payments which are not included in lease liabilities measurements | <u>\$ 7,838</u> | <u>\$ 2,686</u> |
| Total cash outflow for leases | <u>\$ 411,766</u> | <u>\$ 281,801</u> |

The Group chooses to apply recognition exemption to the rentals of buildings, office equipment, and 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.

20. INVESTMENT PROPERTIES, NET

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|----------------------------|---------------------|---------------------|---------------------|
| Land | \$ 5,924,941 | \$ 6,857,541 | \$ 6,450,793 |
| Buildings and improvements | 1,124,604 | 1,121,001 | 1,110,068 |
| | <u>\$ 7,049,545</u> | <u>\$ 7,978,542</u> | <u>\$ 7,560,861</u> |

The land held by the subsidiary SCB (HK) is a leasehold interest.

Depreciation expense of investment properties is computed using the straight-line method over useful life as follows:

| | |
|----------------------------|------------------------------------------------------------|
| Land | Period of the lease term |
| Buildings and improvements | Period of the lease term or 40 years, whichever is shorter |

The fair value of investment properties were measured mainly by Cushman & Wakefield, an independent appraiser. The valuation applies popular Level 3 input valuation models such as the “direct comparison approach” and the “income capitalization approach”. The applied unobservable inputs include sales proofs from market, potential market rentals, and related costs such as building costs, consulting costs, and financing costs. The fair value is stated below:

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|------------|----------------------|----------------------|----------------------|
| Fair value | <u>\$ 12,364,332</u> | <u>\$ 15,712,212</u> | <u>\$ 16,857,196</u> |

The rental income from investment properties is stated below:

| | For the Three Months Ended March 31 | |
|------------------------------------------|-------------------------------------|------------------|
| | 2025 | 2024 |
| Rental income from investment properties | <u>\$ 57,977</u> | <u>\$ 50,161</u> |

21. INTANGIBLE ASSETS, NET

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|-------------------|---------------------|---------------------|---------------------|
| Bank license | \$ 1,520,985 | \$ 1,506,609 | \$ 1,484,447 |
| Computer software | 685,836 | 687,885 | 675,987 |
| Goodwill | - | - | 96,458 |
| | <u>\$ 2,206,821</u> | <u>\$ 2,194,494</u> | <u>\$ 2,256,892</u> |

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

| | |
|-------------------|-----------|
| Bank license | 84 years |
| Computer software | 3-5 years |

Goodwill was mainly from the control premium generated by the acquisition of Cambodian AMK on August 28, 2018. It also included the expected synergies, revenue growth, and future market development.

On December 31, 2024, the Group underwent the impairment assessment of the recoverable amount of goodwill, and the calculation of the recoverable amount was based on the value in use. The calculation of the value in use was based on the cash flow of AMK’s future financial projections and was calculated using the annual discount rate (15.2%) to reflect the specific risks of AMK. The assessment results showed the recoverable amount is less than its carrying amount. The goodwill was fully impaired in 2024.

22. OTHER ASSETS, NET

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|-----------------------------------|----------------------|----------------------|----------------------|
| Prepaid expenses | \$ 6,638,931 | \$ 6,621,985 | \$ 6,887,521 |
| Temporary payments and suspension | 1,955,039 | 1,593,986 | 1,303,215 |
| Refundable deposits | 1,711,951 | 1,715,000 | 1,777,519 |
| Deferred charges | 52,041 | 47,719 | 78,824 |
| Others | 1,104,247 | 1,240,253 | 934,200 |
| | <u>\$ 11,462,209</u> | <u>\$ 11,218,943</u> | <u>\$ 10,981,279</u> |

For other information on asset pledges, please refer to Note 37.

23. DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|--------------------------------------|----------------------|----------------------|----------------------|
| Call loans from banks | \$ 36,533,891 | \$ 36,139,848 | \$ 22,915,371 |
| Due to banks | 6,249,959 | 6,112,495 | 9,396,788 |
| Deposit from Chunghwa Post Co., Ltd. | 1,221,799 | 1,221,799 | 1,221,799 |
| Bank overdrafts | 958,305 | 1,122,884 | 550,193 |
| | <u>\$ 44,963,954</u> | <u>\$ 44,597,026</u> | <u>\$ 34,084,151</u> |

24. SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

Securities sold under repurchase agreements as of March 31, 2025, December 31, 2024 and March 31, 2024 were \$7,592,532 thousand, \$4,783,153 thousand and \$2,271,282 thousand, respectively. The aforementioned securities will be repurchased by August 15, 2025, June 27, 2025 and September 27, 2024, at \$7,597,419 thousand, \$4,786,489 thousand and \$2,272,949 thousand, respectively.

25. PAYABLES

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|-------------------|----------------------|----------------------|----------------------|
| Dividends payable | \$ 17,449,275 | \$ 17,449,275 | \$ 16,602,309 |
| Accounts payable | 9,827,030 | 5,690,041 | 5,739,993 |
| Accrued interest | 8,939,451 | 8,448,204 | 9,803,325 |
| Acceptances | 2,800,928 | 1,873,141 | 1,554,787 |
| Accrued expenses | 1,284,830 | 2,035,922 | 1,317,461 |
| Others | 660,709 | 935,586 | 1,110,509 |
| | <u>\$ 40,962,223</u> | <u>\$ 36,432,169</u> | <u>\$ 36,128,384</u> |

26. DEPOSITS AND REMITTANCES

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|------------------------------------|-------------------------|-------------------------|-------------------------|
| Time deposits | \$ 991,967,814 | \$ 982,421,741 | \$ 1,007,811,171 |
| Savings deposits | 638,377,174 | 636,394,734 | 592,933,572 |
| Demand deposits | 332,661,920 | 345,720,649 | 342,370,927 |
| Negotiable certificates of deposit | 42,920,800 | 70,525,400 | 39,445,300 |
| Checking deposits | 9,249,496 | 10,896,530 | 11,771,762 |
| Remittances | 172,354 | 260,986 | 308,939 |
| | <u>\$ 2,015,349,558</u> | <u>\$ 2,046,220,040</u> | <u>\$ 1,994,641,671</u> |

27. BANK DEBENTURES

27.1 The Bank

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|
| The subordinated bank debenture - 8.5 years maturity; second issued in 2015; maturity date is in June 2024 | \$ - | \$ - | \$ 3,000,000 |
| 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 | 5,000,000 |
| 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 from June 2025 to 2028 | 5,000,000 | 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 from 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 | - |
| | <u>\$ 48,220,000</u> | <u>\$ 48,220,000</u> | <u>\$ 55,470,000</u> |

The second issuance of the 2015 subordinated bank debenture was at a fixed interest rate of 1.83% with the interest paid annually and the repayment of principal at maturity

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 with no maturity date was at a fixed annual interest rate of 2.15% with the interest paid annually.

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 of bank debenture at a fixed annual interest rate of 0.65%; Type B, five-year of 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 of bank debenture at a fixed annual interest rate of 0.62%; Type B, ten-year of 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 of subordinated bank debenture at a fixed annual interest rate of 0.60%; Type B, ten-year of subordinated bank 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 of bank debenture at a fixed annual interest rate of 1.60%; Type B, five-year of bank 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 was at a fixed annual interest rate of 1.40% with the interest paid annually and the repayment of principal at maturity.

The third issuance of the 2022 subordinated bank debenture with no maturity date was at a fixed annual interest rate of 3.25% with the interest paid annually.

The third issuance of the 2023 bank debenture was at a fixed annual interest rate of 1.60% with the interest paid annually and the repayment of principal at maturity.

The second issuance of the 2024 subordinated bank debenture was at a fixed annual interest rate of 1.95% with the interest paid annually and the repayment of principal at maturity.

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

27.2 SCB (HK)

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|------------------------------------------------------------------------------------------------------------|----------------|-------------------|----------------|
| The subordinate bank debenture- 10 years maturity, third issued in 2023, maturity date is in February 2033 | \$ 11,520,868 | \$ 11,371,987 | \$ 11,087,917 |

The third issuance of the 2023 subordinated bank debenture was at a fixed interest rate of 6.375% with interest to be paid semi-annually and the repayment of principal at maturity.

28. OTHER FINANCIAL LIABILITIES

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|--------------------------------------|----------------------|---------------------|---------------------|
| Principals of structured instruments | \$ 9,022,497 | \$ 7,360,739 | \$ 4,928,617 |
| Appropriated loan funds | 1,509,363 | 1,265,357 | 1,027,508 |
| Bank borrowings | - | 100,000 | - |
| Commercial paper payable | 279,411 | 69,943 | - |
| Other financial liabilities | 1,474,975 | 1,185,071 | 1,037,694 |
| | <u>\$ 12,286,246</u> | <u>\$ 9,981,110</u> | <u>\$ 6,993,819</u> |

29. PROVISIONS

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|--------------------------------------|---------------------|---------------------|---------------------|
| Provision for employee benefits | \$ 1,610,050 | \$ 1,897,142 | \$ 1,292,720 |
| Provision for guarantees liabilities | 970,480 | 934,386 | 999,506 |
| Provision for financing commitment | 130,171 | 129,903 | 332,459 |
| Provision for unexpected losses | 3,565 | 3,565 | 3,565 |
| Provision for other operations | 264,149 | 277,928 | 362,588 |
| | <u>\$ 2,978,415</u> | <u>\$ 3,242,924</u> | <u>\$ 2,990,838</u> |

Provisions for changes in financing commitment and guarantee liability of the Group for the three months ended March 31, 2025 and 2024 were as follows:

For the Three Months Ended March 31, 2025

| | 12-Month ECLs | Lifetime ECLs (Collectively) | Lifetime ECLs (Individually) | 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 |
|----------------------------------------------------------------------------|---------------|---------------------------------|---------------------------------|--------------------------------------------------------------------------------------------------|----------------------------------------------------|----------------------------------------------------------------------|--------------|
| Provisions for commitment and guarantee liability | | | | | | | |
| Beginning on January 1, 2025 | \$ 145,999 | \$ 84,589 | \$ 2,733 | \$ 123,769 | \$ 357,090 | \$ 707,199 | \$ 1,064,289 |
| Changes due to financial assets recognized at the beginning of the period: | | | | | | | |
| Transfer to lifetime ECLs | (41) | 16 | 25 | - | - | - | - |
| Transfer to credit impaired financial assets | - | - | - | - | - | - | - |
| Transfer to 12-month ECLs | 71,801 | (70,854) | (947) | - | - | - | - |
| Financial assets derecognized in the current period | (27,983) | (273) | (1,120) | - | (29,376) | - | (29,376) |
| Provisions (reversal) | (66,186) | 2,338 | 228 | 66 | (63,554) | - | (63,554) |
| Purchased or originated financial assets | 54,711 | 1,676 | 2,206 | 7,629 | 66,222 | - | 66,222 |
| The difference of impairment under the regulation or decree | - | - | - | - | - | 59,048 | 59,048 |
| Exchange rate and other changes | 2,571 | (1) | 34 | 1,418 | 4,022 | - | 4,022 |
| Balance on March 31, 2025 | \$ 180,872 | \$ 17,491 | \$ 3,159 | \$ 132,882 | \$ 334,404 | \$ 766,247 | \$ 1,100,651 |

For the Three Months Ended March 31, 2024

| | 12-Month ECLs | Lifetime ECLs (Collectively) | Lifetime ECLs (Individually) | 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 |
|----------------------------------------------------------------------------|---------------|---------------------------------|---------------------------------|--------------------------------------------------------------------------------------------------|----------------------------------------------------|----------------------------------------------------------------------|--------------|
| Provisions for commitment and guarantee liability | | | | | | | |
| Beginning on January 1, 2024 | \$ 223,868 | \$ 170,820 | \$ 5,419 | \$ 791 | \$ 400,898 | \$ 903,124 | \$ 1,304,022 |
| Changes due to financial assets recognized at the beginning of the period: | | | | | | | |
| Transfer to lifetime ECLs | (53) | 37 | 16 | - | - | - | - |
| Transfer to credit impaired financial assets | - | - | - | - | - | - | - |
| Transfer to 12-month ECLs | 2,795 | (105) | (2,690) | - | - | - | - |
| Financial assets derecognized in the current period | (106,761) | (170,517) | (1,285) | - | (278,563) | - | (278,563) |
| Provisions (reversal) | 23,663 | 4,482 | 36 | 361 | 28,542 | - | 28,542 |
| Purchased or originated financial assets | 168,056 | 223,982 | 20 | - | 392,058 | - | 392,058 |
| The difference of impairment under the regulation or decree | - | - | - | - | - | (140,636) | (140,636) |
| Changes in model/risk parameters | 16,040 | - | 699 | - | 16,739 | - | 16,739 |
| Exchange rate and other changes | 9,564 | 59 | 161 | 19 | 9,803 | - | 9,803 |
| Balance on March 31, 2024 | \$ 337,172 | \$ 228,758 | \$ 2,376 | \$ 1,171 | \$ 569,477 | \$ 762,488 | \$ 1,331,965 |

30. OTHER LIABILITIES

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|-----------------------------|---------------------|---------------------|---------------------|
| Guarantee deposits received | \$ 2,443,947 | \$ 2,472,820 | \$ 2,463,379 |
| Deferred revenue | 1,646,167 | 2,471,183 | 560,056 |
| Revenue received in advance | 157,726 | 161,020 | 194,708 |
| Temporary credit | 147,795 | 58,597 | 74,901 |
| Others | 568,328 | 531,892 | 613,845 |
| | <u>\$ 4,963,963</u> | <u>\$ 5,695,512</u> | <u>\$ 3,906,889</u> |

31. PENSION PLAN

The expenses related to the post-retirement benefit plan for the three months ended March 31, 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 three months ended March 31, 2025 and 2024 was as follows:

| | For the Three Months Ended March 31 | |
|-----------------------------------------------------|-------------------------------------|------------------|
| | 2025 | 2024 |
| Defined benefit liabilities | \$ 68,189 | \$ 70,948 |
| Retired employees' preferential deposit liabilities | 7,500 | 7,500 |
| | <u>\$ 75,689</u> | <u>\$ 78,448</u> |

The amounts of the retired employees' preferential deposit benefit expenses in the consolidated statements of comprehensive income for 2025 will be \$291,928 thousand.

32. EQUITY

32.1 Share capital

Ordinary shares

| | March 31, 2025 | December 31, 2024 | March 31, 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 share has par value of \$10. Each shareholder is entitled with the right to vote and receive dividends.

32.2 Capital surplus

| | March 31, 2025 | December 31, 2024 | March 31, 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, 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 company is not actually obtained or processed, the impact of the equity transaction recognized due to changes in the company's equity or the company's recognition of the adjustment to the capital reserve of the subsidiary identified using the equity method.

32.3 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.

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 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 of employees' compensation and remuneration of directors, refer to employee benefits expense in Note 33(7).

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 directors and shareholders' meeting on March 21, 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 appropriation of earnings for 2024 will be resolved in the shareholders' meeting on June 13, 2025.

32.4 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 year ended March 31, 2025.

According to Rule No. 10510001510 issued by the FSC on May 25, 2016, public bank 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. 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 March 31, 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.
- (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.

32.5 Other equity

Other equity in consolidated company 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 consolidated statement of changes in equity.

32.6 Treasury shares

On March 31, 2025, December 31, 2024 and March 31, 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.

32.7 Non-controlling interests

| | For the Three Months Ended March 31 | |
|----------------------------------------------------------------------|-------------------------------------|----------------------|
| | 2025 | 2024 |
| Beginning balance | \$ 68,956,347 | \$ 60,279,352 |
| Attributed to non-controlling interests | | |
| Net income | 1,233,518 | 935,104 |
| Translation adjustments for foreign operations | 690,142 | 2,446,776 |
| Unrealized gain on financial assets measured at FVTOCI | 1,162,162 | 753,380 |
| Realized gain on financial assets measured at FVTOCI | 51,019 | (4,764) |
| Gain (loss) on investments in debt instruments measured at FVTOCI | 1,230 | (2,016) |
| Share of other comprehensive profit and loss under the equity method | 2,890 | 44,838 |
| Income tax effect | (93,222) | (44,041) |
| Ending balance | <u>\$ 72,004,086</u> | <u>\$ 64,408,629</u> |

33. DETAILS OF COMPREHENSIVE INCOME STATEMENT ITEMS

33.1 Interest income, net

| | For the Three Months Ended March 31 | |
|---------------------------------------------|-------------------------------------|---------------------|
| | 2025 | 2024 |
| Interest income | | |
| Discounts and loans | \$ 11,750,416 | \$ 13,127,692 |
| Securities investments | 4,649,807 | 3,862,084 |
| Due from banks | 4,040,255 | 4,229,621 |
| Credit card interests | 32,369 | 30,362 |
| Others | 74,255 | 57,924 |
| | <u>20,547,102</u> | <u>21,307,683</u> |
| Interest expense | | |
| Deposits | 9,955,292 | 10,870,120 |
| Bank debentures | 394,021 | 619,921 |
| Due to banks | 389,133 | 293,271 |
| Structured instruments | 82,571 | 76,857 |
| Leased liability | 17,799 | 17,641 |
| Securities sold under repurchase agreements | 11,864 | 2,827 |
| Others | 120,140 | 35,165 |
| | <u>10,970,820</u> | <u>11,915,802</u> |
| Interest income, net | <u>\$ 9,576,282</u> | <u>\$ 9,391,881</u> |

33.2 Service fee income, net

| | For the Three Months Ended March 31 | |
|--------------------------------------|-------------------------------------|---------------------|
| | 2025 | 2024 |
| Service fee income | | |
| Trust and custody services | \$ 645,986 | \$ 477,566 |
| Insurance commission fees | 553,806 | 432,961 |
| Loan service fees | 367,166 | 397,312 |
| Nominee and brokerage service charge | 235,300 | 149,479 |
| Guarantees related fees | 156,316 | 180,130 |
| Credit card related fees | 155,919 | 166,621 |
| Exchange related fees | 91,201 | 92,256 |
| Inward/outward business | 52,819 | 57,339 |
| Others | 231,817 | 185,427 |
| | <u>2,490,330</u> | <u>2,139,091</u> |
| Service charge | | |
| Credit card service charge | \$ 88,677 | \$ 97,778 |
| Nominee and brokerage service charge | 29,133 | 28,856 |
| Finance service charge | 16,317 | 17,376 |
| Custody service charge | 8,847 | 7,064 |
| Inter-bank service charge | 3,990 | 3,914 |
| Others | 136,287 | 133,680 |
| | <u>283,251</u> | <u>288,668</u> |
| Service fee income, net | <u>\$ 2,207,079</u> | <u>\$ 1,850,423</u> |

33.3 Gain (loss) on financial assets and liabilities at FVTPL

| For the Three Months Ended March 31, 2025 | | | |
|-----------------------------------------------------|-------------------------|---------------------------|-------------------|
| | Realized Gain (Loss) | Unrealized Gain (Loss) | Total |
| Financial assets mandatorily classified as at FVTPL | \$ 2,427,121 | (\$ 690,502) | \$ 1,736,619 |
| Held-for-trading financial liabilities | (2,538,647) | 1,263,588 | (1,275,059) |
| Financial liabilities designated at FVTPL | - | (60,074) | (60,074) |
| | <u>(\$ 111,526)</u> | <u>\$ 513,012</u> | <u>\$ 401,486</u> |

| For the Three Months Ended March 31, 2024 | | | |
|-----------------------------------------------------|-------------------------|---------------------------|-----------------------|
| | Realized Gain (Loss) | Unrealized Gain (Loss) | Total |
| Financial assets mandatorily classified as at FVTPL | \$ 2,486,370 | (\$ 398,525) | \$ 2,087,845 |
| Held-for-trading financial liabilities | (3,089,532) | (993,096) | (4,082,628) |
| Financial liabilities designated at FVTPL | - | 127,325 | 127,325 |
| | <u>(\$ 603,162)</u> | <u>(\$ 1,264,296)</u> | <u>(\$ 1,867,458)</u> |

33.4 Realized gain or loss on financial assets at FVTOCI

| For the Three Months Ended March 31 | | |
|-------------------------------------|-------------------|-------------------|
| | 2025 | 2024 |
| Dividend income | \$ 343,216 | \$ 270,688 |
| Disposal of debt instruments | 36,585 | 197,380 |
| | <u>\$ 379,801</u> | <u>\$ 468,068</u> |

33.5 Other non-interest income

| For the Three Months Ended March 31 | | |
|-----------------------------------------------------------------|-------------------|-------------------|
| | 2025 | 2024 |
| Rent revenue | \$ 77,591 | \$ 130,861 |
| (Loss) gain on disposal and write-off of property and equipment | (1,154) | 357 |
| Others | 48,698 | 57,169 |
| | <u>\$ 125,135</u> | <u>\$ 188,387</u> |

33.6 Employment benefits expense

| For the Three Months Ended March 31 | | |
|-------------------------------------|---------------------|---------------------|
| | 2025 | 2024 |
| Short-term employment benefits | \$ 2,883,852 | \$ 2,563,480 |
| Retirement benefits | | |
| Defined contribution plan | 141,571 | 130,332 |
| Defined benefit plan | 68,189 | 70,948 |
| Other benefit plan | 150,441 | 153,745 |
| | <u>\$ 3,244,053</u> | <u>\$ 2,918,505</u> |

33.7 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 three months ended March 31, 2025 and 2024 were as follows:

| For the Three Months Ended March 31 | | |
|-------------------------------------|------------------|------------------|
| | 2025 | 2024 |
| Employees' compensation | <u>\$ 18,998</u> | <u>\$ 15,009</u> |
| Remuneration of directors | <u>\$ 13,824</u> | <u>\$ 14,499</u> |

The employees' compensation and the 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 Year Ended December 31 | | | |
|---------------------------|--------------------------------|--------|-----------|--------|
| | 2024 | | 2023 | |
| | Cash | Shares | Cash | Shares |
| Employees' compensation | \$ 76,000 | \$ - | \$ 76,000 | \$ - |
| Remuneration of directors | \$ 40,420 | \$ - | \$ 46,000 | \$ - |

If the amount changes after the annual consolidated financial report release date, the difference will be treated as 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 2024 and 2023 is available on the Market Observation Post System website of the Taiwan Stock Exchange.

33.8 Depreciation and amortization

| | For the Three Months Ended March 31 | |
|-----------------------|-------------------------------------|-------------------|
| | 2025 | 2024 |
| Depreciation expense | | |
| Properties | \$ 214,788 | \$ 182,167 |
| Right-of-use assets | 199,968 | 203,071 |
| Investment properties | 9,400 | 8,924 |
| | <u>424,156</u> | <u>394,162</u> |
| Amortization expense | | |
| Intangible assets | 89,528 | 80,588 |
| Other assets | 2,771 | 13,780 |
| | <u>92,299</u> | <u>94,368</u> |
| | <u>\$ 516,455</u> | <u>\$ 488,530</u> |

34. INCOME TAXES RELATING TO CONTINUING OPERATIONS

34.1 Income tax expense recognized in profit or loss

The major components of tax expenses were as follows:

| | For the Three Months Ended March 31 | |
|-------------------------------------------------|-------------------------------------|---------------------|
| | 2025 | 2024 |
| Current tax | | |
| In respect of the current year | \$ 1,007,107 | \$ 991,792 |
| In respect of prior periods | (2,342) | (2,587) |
| | <u>1,004,765</u> | <u>989,205</u> |
| Deferred tax | | |
| In respect of the current year | 120,568 | 449,407 |
| Income tax expense recognized in profit or loss | <u>\$ 1,125,333</u> | <u>\$ 1,438,612</u> |

34.2 Income tax expense recognized in other comprehensive income

| | For the Three Months Ended March 31 | |
|----------------------------------------------------------------|-------------------------------------|-------------------|
| | 2025 | 2024 |
| Deferred income tax | | |
| Recognized in other comprehensive income | | |
| Translation adjustments for foreign operations | \$ 362,607 | \$ 946,508 |
| Unrealized gain or loss on financial assets measured at FVTOCI | 91,775 | (186,787) |
| Income tax expense recognized in other comprehensive income | <u>\$ 454,382</u> | <u>\$ 759,721</u> |

34.3 Income tax assessments

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

Income tax returns of the Bank's domestic subsidiaries through 2023 had been assessed by the tax authorities.

35. EARNINGS PER SHARE

The numerators and denominators used in calculating basic earnings per share were as follows:

| | Unit: NT\$ Per Share | |
|----------------------------|-------------------------------------|----------------|
| | For the Three Months Ended March 31 | |
| | 2025 | 2024 |
| Basic earnings per share | <u>\$ 0.96</u> | <u>\$ 0.89</u> |
| Diluted earnings per share | <u>\$ 0.96</u> | <u>\$ 0.89</u> |

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 Three Months Ended March 31 | |
|--------------------------------------------------------------------------|-------------------------------------|---------------------|
| | 2025 | 2024 |
| Earnings used in the computation of basic and diluted earnings per share | <u>\$ 4,667,070</u> | <u>\$ 4,334,529</u> |

Weighted average number of ordinary shares outstanding (in thousands of shares):

| | For the Three Months Ended March 31 | |
|--------------------------------------------------------------------------------------------------|-------------------------------------|------------------|
| | 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 | <u>1,512</u> | <u>1,372</u> |
| Weighted average number of ordinary shares used in the computation of diluted earnings per share | <u>4,851,718</u> | <u>4,851,578</u> |

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.

36. RELATED-PARTY TRANSACTIONS

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

36.1 The Bank's related parties

| Related Party | Relationship with the Bank |
|--------------------------------------------|--------------------------------------------------------------|
| 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 and related management |

36.2 Significant transactions between related parties

Balances and transactions between the Bank and its subsidiaries, which are related parties of the Bank, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Bank and other related parties are disclosed below.

36.2.1 Deposits

| | March 31, 2025 | | | For the Three Months Ended March 31, 2025 |
|--------------------------------------------|----------------------|----------------------|----------------------|----------------------------------------------|
| | Maximum Balance | Ending Balance | Interest Rate (%) | Interest Expense |
| IBF Securities Co., Ltd. | \$ 4,956,349 | \$ 4,956,349 | 0.64~1.45 | \$ 2,538 |
| Directors and related management | 4,788,423 | 4,778,667 | 0.00~4.10 | 49,368 |
| Financial Information Service Co., Ltd. | 982,186 | 982,186 | 0.55~1.45 | 3,224 |
| The SCSB Cultural & Educational Foundation | 310,229 | 310,229 | 0.00~1.72 | 1,230 |
| Employees | 172,762 | 134,215 | 0.00~10.97 | 886 |
| Others | 152,272 | 145,896 | 0.00~4.00 | 316 |
| | <u>\$ 11,362,221</u> | <u>\$ 11,307,542</u> | | <u>\$ 57,562</u> |

| | December 31, 2024 | | | For the Year Ended December 31, 2024 |
|--------------------------------------------|----------------------|----------------------|----------------------|-----------------------------------------|
| | Maximum Balance | Ending Balance | Interest Rate (%) | Interest Expense |
| Directors and related management | \$ 8,632,123 | \$ 7,942,100 | 0.00~5.50 | \$ 364,352 |
| IBF Securities Co., Ltd. | 5,823,437 | 4,883,622 | 0.64~1.45 | 36,493 |
| Financial Information Service Co., Ltd. | 978,980 | 978,980 | 0.55~1.45 | 12,895 |
| 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 | 428,379 | 162,481 | 0.00~5.15 | 1,997 |
| | <u>\$ 16,544,327</u> | <u>\$ 14,408,505</u> | | <u>\$ 424,993</u> |

| | March 31, 2024 | | | For the Three Months Ended March 31, 2024 |
|--------------------------------------------|----------------------|----------------------|-------------------|-------------------------------------------|
| | Maximum Balance | Ending Balance | Interest Rate (%) | Interest Expense |
| Directors and related management | \$ 11,905,806 | \$ 11,905,773 | 0.00~4.00 | \$ 118,009 |
| IBF Securities Co., Ltd. | 5,231,683 | 5,231,683 | 0.55~1.45 | 2,267 |
| Financial Information Service Co., Ltd. | 965,709 | 965,709 | 0.55~1.45 | 3,224 |
| The SCSB Cultural & Educational Foundation | 310,921 | 310,921 | 0.01~1.72 | 1,142 |
| Employees | 175,947 | 118,669 | 0.00~10.79 | 927 |
| Others | 189,609 | 185,515 | 0.00~4.80 | 495 |
| | <u>\$ 18,779,675</u> | <u>\$ 18,718,270</u> | | <u>\$ 126,064</u> |

36.2.2 Interest receivable (accounted for as receivables)

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|----------------------------------|----------------|-------------------|----------------|
| Directors and related management | <u>\$ 104</u> | <u>\$ 105</u> | <u>\$ 3</u> |

36.2.3 Interest payable (accounted for as payables)

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|--------------------------------------------|------------------|-------------------|------------------|
| IBF Securities Co., Ltd. | \$ 8,264 | \$ 1,607 | \$ 7,029 |
| Financial Information Service Co., Ltd. | 2,440 | 2,440 | 5,034 |
| Directors and related management | 683 | 630 | 276 |
| The SCSB Cultural & Educational Foundation | 107 | 100 | 105 |
| The SCSB Charity Foundation | 3 | 3 | 76 |
| Others | - | - | 4 |
| | <u>\$ 11,497</u> | <u>\$ 4,780</u> | <u>\$ 12,524</u> |

36.2.4 Guarantee deposits received (accounted for as other liabilities)

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|--------------------------------------------|----------------|-------------------|----------------|
| The SCSB Cultural & Educational Foundation | <u>\$ 318</u> | <u>\$ 318</u> | <u>\$ 318</u> |

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

| | For the Three Months Ended March 31 | |
|--------------------------------------------|-------------------------------------|---------------|
| | 2025 | 2024 |
| The SCSB Cultural & Educational Foundation | <u>\$ 321</u> | <u>\$ 321</u> |

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

36.2.6 Loans

| March 31, 2025 | | | | | | | | | | For the Three Months Ended March 31, 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-performingLoans | | | | | |
| Loans for personal house mortgage | Directors and related management (3) | \$ 21,673 | \$ 21,216 | \$ 21,216 | \$ - | Real estate | 2.20~2.48 | None | \$ 123 | |
| Others | Directors and related management (10) | 221,437 | 214,543 | 214,543 | - | Real estate | 2.19~2.52 | None | 7,672 | |
| | Directors and related management (3) | <u>1,012</u> | <u>940</u> | <u>940</u> | <u>-</u> | None | 2.24~2.54 | None | <u>6</u> | |
| | | <u>\$ 244,122</u> | <u>\$ 236,699</u> | <u>\$ 236,699</u> | <u>\$ -</u> | | | | <u>\$ 7,801</u> | |

| December 31, 2024 | | | | | | | | | | |
|-----------------------------------|---------------------------------------|--------------------|-------------------|-------------------|--------------------------|------------------------------------------|----------------------|----------------------------------------------------------------------------|-------------------------------------------------|------------------|
| Category | Name | Maximum Balance | Ending Balance | Performance | | Collateral | Interest Rate (%) | Difference of Terms of the Transactions with Unrelated Parties | For the Year Ended December 31, 2024 | |
| | | | | Normal Loans | Non- performing Loans | | | | Interest Income | |
| Loans for personal house mortgage | Directors and related management (3) | \$ 27,576 | \$ 21,445 | \$ 21,445 | \$ - | Real estate | 2.06~2.48 | None | \$ | 528 |
| Others | Directors and related management (12) | 236,627 | 219,666 | 219,666 | - | Real estate | 1.82~2.39 | None | | 40,228 |
| | Directors and related management (4) | 2,094 | 1,012 | 1,012 | - | None | 2.11~2.55 | None | | 26 |
| | | <u>\$ 266,297</u> | <u>\$ 242,123</u> | <u>\$ 242,123</u> | <u>\$ -</u> | | | | | <u>\$ 40,782</u> |
| March 31, 2024 | | | | | | | | | | |
| Category | Name | Maximum Balance | Ending Balance | Performance | | Collateral | Interest Rate (%) | Difference of Terms of the Transactions with Unrelated Parties | For the Three Months Ended March 31, 2024 | |
| | | | | Normal Loans | Non- performing Loans | | | | Interest Income | |
| Loans for personal house mortgage | Directors and related management (1) | \$ 9,663 | \$ 9,604 | \$ 9,604 | \$ - | Real estate | 2.35~2.48 | None | \$ | 57 |
| Others | Directors and related management (7) | 185,890 | 177,767 | 177,767 | - | Real estate/ financial instruments | 2.06~2.21 | None | | 12,162 |
| | Directors and related management (1) | 418 | 382 | 382 | - | None | 2.13~2.13 | None | | 2 |
| | | <u>\$ 195,971</u> | <u>\$ 187,753</u> | <u>\$ 187,753</u> | <u>\$ -</u> | | | | | <u>\$ 12,221</u> |

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 Group 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.

36.2.7 Disposal of investment properties (Recognized other non-interest income, net)

| Name of related-party | Transaction Amount | | Gain on Disposal | |
|-----------------------|-------------------------------------|-------------|-------------------------------------|-------------|
| | For the Three Months Ended March 31 | | For the Three Months Ended March 31 | |
| | 2025 | 2024 | 2025 | 2024 |
| Others | <u>\$ 48,763</u> | <u>\$ -</u> | <u>\$ 13,073</u> | <u>\$ -</u> |

36.3 Compensation of directors and management personnel

The compensation of key management personnel for the three months ended March 31, 2025 and 2024 was as follows:

| | For the Three Months Ended March 31 | |
|-------------------------------------------------|-------------------------------------|-------------------|
| | 2025 | 2024 |
| Salaries and other short-term employee benefits | \$ 111,787 | \$ 107,027 |
| Remuneration of directors | 34,008 | 31,580 |
| Post-employment benefits | 14,093 | 14,389 |
| Bonuses and employees' compensation | 9,748 | 14,826 |
| Others | 68,620 | 167 |
| | <u>\$ 238,256</u> | <u>\$ 167,989</u> |

37. PLEDGED ASSETS

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

| | March 31, 2025 | December 31, 2024 | March 31, 2024 | Guaranty Purpose |
|------------------------------------------------------------|----------------|-------------------|----------------|------------------------------------|
| The Bank | | | | |
| Investments in debt instruments measured at amortized cost | \$ 12,000,000 | \$ 12,000,000 | \$ 12,000,000 | Day-term overdraft with the pledge |

On March 31, 2025, December 31, 2024 and March 31, 2024, the Bank provided financial assets at FVTOCI listed below which had been provided as operating guarantees.

| | March 31, 2025 | December 31, 2024 | March 31, 2024 | Guaranty Purpose |
|----------------------------|----------------|-------------------|----------------|---------------------|
| The Bank | | | | |
| Financial assets at FVTOCI | \$ 470,450 | \$ 448,643 | \$ 406,315 | Operating guarantee |

On March 31, 2025, December 31, 2024 and March 31, 2024, the Bank's subsidiaries provided financial assets as guarantees listed below:

| | March 31, 2025 | December 31, 2024 | March 31, 2024 | Guaranty Purpose |
|------------------------------------------------------------|----------------------|----------------------|----------------------|-----------------------|
| Investments in debt instruments measured at amortized cost | \$ 3,670,234 | \$ 3,615,875 | \$ 10,085,641 | Operating guarantee |
| Financial assets at FVTOCI | 12,829,278 | 12,579,686 | 8,090,088 | Operating guarantee |
| Due from the Central Bank and call loans to banks | 1,795,782 | 1,999,299 | 2,121,921 | Operating guarantee |
| Financial assets at FVTPL | - | - | 3,636,578 | Guaranteed loan |
| Due from the Central Bank and call loans to banks | - | - | 581,287 | Guaranteed loan |
| Other assets | 331,395 | 623,663 | 265,585 | Guaranteed derivative |
| | <u>\$ 18,626,689</u> | <u>\$ 18,818,523</u> | <u>\$ 24,781,100</u> | |

38. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

38.1 In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of March 31, 2025, December 31, 2024 and March 31, 2024, were as follows:

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|-------------------------------------------------|----------------|-------------------|----------------|
| Commitments of forward contracts with customers | \$ 633,854,451 | \$ 477,107,270 | \$ 508,858,982 |
| Securities in custody | 247,647,184 | 238,131,966 | 213,329,159 |
| Assets under trust | 242,620,712 | 240,488,399 | 221,072,823 |
| Guarantee notes payable | 102,152,900 | 99,753,100 | 115,389,098 |
| Government bonds in brokerage accounts | 34,142,600 | 31,660,000 | 44,842,700 |
| Receivables under custody | 24,030,801 | 23,815,769 | 23,241,077 |
| Short-term bills in brokerage accounts | 1,878,700 | 1,468,140 | 1,517,450 |

38.2 Material litigation

In November 2024, certain debtors filed a damages lawsuit with the Supreme Court of the State of New York, alleging that the Bank failed to fulfill contract and fiduciary duty, resulting in total claimed damages of no less than US\$356,000,000. 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.

39. SIGNIFICANT SUBSEQUENT EVENTS

None.

40. FINANCIAL INSTRUMENTS

40.1 Fair value information - financial instruments not measured at fair value

40.1.1 Financial assets and liabilities with significant differences between carrying amounts and fair values.

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

| | March 31, 2025 | | December 31, 2024 | | March 31, 2024 | |
|------------------------------------------------------------|-----------------|----------------|-------------------|----------------|-----------------|----------------|
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| Financial assets | | | | | | |
| Investments in debt instruments measured at amortized cost | \$ 180,797,946 | \$ 180,673,825 | \$ 235,146,758 | \$ 235,030,208 | \$ 232,681,905 | \$ 232,465,006 |
| Financial liabilities | | | | | | |
| Bank debentures | 59,740,868 | 60,100,000 | 59,591,987 | 59,864,065 | 66,557,917 | 66,783,753 |

40.1.2 Fair value level

| | March 31, 2025 | | | |
|---------------------------------------------|-------------------|---------------|----------------|---------|
| | Total | Level 1 | Level 2 | Level 3 |
| Financial assets | | | | |
| Financial assets measured at amortized cost | \$ 180,673,825 | \$ 19,908,916 | \$ 160,764,909 | \$ - |
| Financial liabilities | | | | |
| Bank debentures | 60,100,000 | - | 60,100,000 | - |
| | December 31, 2024 | | | |
| | Total | Level 1 | Level 2 | Level 3 |
| Financial assets | | | | |
| Financial assets measured at amortized cost | \$ 235,030,208 | \$ 26,980,092 | \$ 208,050,116 | \$ - |
| Financial liabilities | | | | |
| Bank debentures | 59,864,065 | - | 59,864,065 | - |
| | March 31, 2024 | | | |
| | Total | Level 1 | Level 2 | Level 3 |
| Financial assets | | | | |
| Financial assets measured at amortized cost | \$ 232,465,006 | \$ 37,568,257 | \$ 194,896,749 | \$ - |
| Financial liabilities | | | | |
| Bank debentures | 66,783,753 | - | 66,783,753 | - |

40.1.3 The evaluation method and assumptions used in measuring fair value.

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

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

40.2 Fair value information – financial instrument measured at fair value under repetitive basis

40.2.1 Fair value level

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

| Financial Instruments Measured at Fair Value | March 31, 2025 | | | |
|---------------------------------------------------------|-----------------------|-----------------------|-----------------------|---------------------|
| | Total | Level 1 | Level 2 | Level 3 |
| Non-derivative financial instruments | | | | |
| Assets | | | | |
| Financial assets measured at FVTPL | | | | |
| Financial assets mandatorily classified as at FVTPL | | | | |
| Shares | \$ 396,571 | \$ 330,314 | \$ - | \$ 66,257 |
| Bonds | 3,445,661 | 2,791,644 | 654,017 | - |
| Financial assets at FVTOCI | | | | |
| Equity instruments | 53,582,614 | 48,764,060 | | 4,818,554 |
| Debt instruments | 458,885,955 | 285,527,817 | 173,345,868 | 12,270 |
| | <u>\$ 516,310,801</u> | <u>\$ 337,413,835</u> | <u>\$ 173,999,885</u> | <u>\$ 4,897,081</u> |
| Liabilities | | | | |
| Financial liabilities measured at FVTPL | <u>\$ 2,534,922</u> | <u>\$ -</u> | <u>\$ 2,534,922</u> | <u>\$ -</u> |
| Derivative financial instruments | | | | |
| Assets | | | | |
| Financial assets measured at FVTPL | <u>\$ 3,597,290</u> | <u>\$ 655,060</u> | <u>\$ 2,942,230</u> | <u>\$ -</u> |
| Liabilities | | | | |
| Financial liabilities measured at FVTPL | <u>\$ 2,884,276</u> | <u>\$ 2,706</u> | <u>\$ 2,881,570</u> | <u>\$ -</u> |
| Financial Instruments Measured at Fair Value | December 31, 2024 | | | |
| | Total | Level 1 | Level 2 | Level 3 |
| Non-derivative financial instruments | | | | |
| Assets | | | | |
| Financial assets measured at FVTPL | | | | |
| Financial assets mandatorily classified as at FVTPL | | | | |
| Shares | \$ 213,166 | \$ 147,621 | \$ - | \$ 65,545 |
| Bonds | 1,336,058 | 695,881 | 640,177 | - |
| Financial assets at FVTOCI | | | | |
| Equity instruments | 51,404,856 | 46,653,182 | - | 4,751,674 |
| Debt instruments | 423,840,248 | 264,262,414 | 159,565,696 | 12,138 |
| | <u>\$ 476,794,328</u> | <u>\$ 311,759,098</u> | <u>\$ 160,205,873</u> | <u>\$ 4,829,357</u> |
| Non-derivative financial instruments | | | | |
| Liabilities | | | | |
| Financial liabilities measured at FVTPL | <u>\$ 2,438,063</u> | <u>\$ -</u> | <u>\$ 2,438,063</u> | <u>\$ -</u> |
| Derivative financial instruments | | | | |
| Assets | | | | |
| Financial assets measured at FVTPL | <u>\$ 4,020,286</u> | <u>\$ 559,993</u> | <u>\$ 3,460,293</u> | <u>\$ -</u> |
| Liabilities | | | | |
| Financial liabilities measured at FVTPL | <u>\$ 3,387,845</u> | <u>\$ 294</u> | <u>\$ 3,387,551</u> | <u>\$ -</u> |

| Financial Instruments Measured at Fair Value | March 31, 2024 | | | |
|-----------------------------------------------------|-----------------------|-----------------------|-----------------------|---------------------|
| | Total | Level 1 | Level 2 | Level 3 |
| Non-derivative financial instruments | | | | |
| Assets | | | | |
| Financial assets measured at FVTPL | | | | |
| Financial assets mandatorily classified as at FVTPL | | | | |
| Shares | \$ 464,510 | \$ 408,135 | \$ - | \$ 56,375 |
| Bonds | 3,614,757 | 3,608,274 | 6,483 | - |
| Financial assets at FVTOCI | | | | |
| Equity instruments | 41,382,139 | 36,762,373 | - | 4,619,766 |
| Debt instruments | 379,077,920 | 220,724,263 | 158,341,904 | 11,753 |
| | <u>\$ 424,539,326</u> | <u>\$ 261,503,045</u> | <u>\$ 158,348,387</u> | <u>\$ 4,687,894</u> |
| Liabilities | | | | |
| Financial liabilities measured at FVTPL | <u>\$ 2,505,549</u> | <u>\$ -</u> | <u>\$ 2,505,549</u> | <u>\$ -</u> |
| Derivative financial instruments | | | | |
| Assets | | | | |
| Financial assets measured at FVTPL | <u>\$ 3,256,507</u> | <u>\$ 329,088</u> | <u>\$ 2,927,419</u> | <u>\$ -</u> |
| Liabilities | | | | |
| Financial liabilities measured at FVTPL | <u>\$ 3,507,373</u> | <u>\$ -</u> | <u>\$ 3,507,373</u> | <u>\$ -</u> |

There were no transfers of financial instruments between Level 1 and Level 2 fair value measurement for the three months ended March 31, 2025 and 2024.

40.2.2 Reconciliation of Level 3 fair value measurement

For the Three Months Ended March 31, 2025

| Item | 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 | \$ 65,545 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 712 | \$ 66,257 |
| Financial assets measured at FVTOCI | 4,763,812 | - | 8,724 | - | - | - | - | 58,288 | 4,830,824 |

For the Three Months Ended March 31, 2024

| Item | 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 | \$ 54,175 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,200 | \$ 56,375 |
| Financial assets measured at FVTOCI | 4,500,585 | - | 71,129 | - | - | - | - | 59,805 | 4,631,519 |

40.2.3 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 using 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 using cash flow method through observable elements. |

40.2.4 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 bonds and equity securities measured at FVTOCI.

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

| Measuring at fair value on a repeatability basis | Fair Value March 31, 2025 | Valuation Techniques | Significant Unobservable Inputs | Interval (Weighted-Average) | Notes |
|--------------------------------------------------|------------------------------|-------------------------------|---------------------------------|--------------------------------|----------------------------------------|
| Financial assets measured at FVTPL Shares | \$ 66,257 | Market approach | P/B ratio | 100% | Positively correlated to fair value |
| Financial assets measured at FVTOCI Shares | 4,818,554 | 1. Market approach | 1. Market liquidity reduction | 1. 10%~19% | 1. Negatively correlated to fair value |
| | | 2. Net asset value method | 2. Market liquidity reduction | 2. 10%~19% | 2. Negatively correlated to fair value |
| | | 3. Discounted dividend method | 3. Capital cost | 3. 11.5% | 3. Negatively correlated to fair value |
| | | | 4. Sustainable growth rate | 4. 1.7% | 4. Negatively correlated to fair value |
| | | | 5. Dividend growth rate | 5. 15%~30% | 5. Positively correlated to fair value |
| Bonds | 12,270 | Discounted cash flow method | Discount rate | 0%~10% | Negatively correlated to fair value |

| Measuring at fair value on a repeatability basis | Fair Value December 31, 2024 | Valuation Techniques | Significant Unobservable Inputs | Interval (Weighted-Average) | Notes |
|--------------------------------------------------|---------------------------------|-------------------------------|---------------------------------|--------------------------------|----------------------------------------|
| Financial assets measured at FVTPL Shares | \$ 65,545 | Market approach | P/B ratio | 100% | Positively correlated to fair value |
| Financial assets measured at FVTOCI Shares | 4,751,674 | 1. Market approach | 1. Market liquidity reduction | 1. 10%~19% | 1. Negatively correlated to fair value |
| | | 2. Net asset value method | 2. Market liquidity reduction | 2. 10%~19% | 2. Negatively correlated to fair value |
| | | 3. Discounted dividend method | 3. Capital cost | 3. 15.12% | 3. Negatively correlated to fair value |
| | | | 4. Sustainable growth rate | 4. 13.05% | 4. Negatively correlated to fair value |
| Bonds | 12,138 | Discounted cash flow method | Discount rate | 0%~10% | Negatively correlated to fair value |

| Measuring at fair value on a repeatability basis | Fair Value March 31, 2024 | Valuation Techniques | Significant Unobservable Inputs | Interval (Weighted-Average) | Notes |
|--------------------------------------------------|------------------------------|-------------------------------|---------------------------------|--------------------------------|----------------------------------------|
| Financial assets measured at FVTPL Shares | \$ 56,375 | Market approach | P/B ratio | 100% | Positively correlated to fair value |
| Financial assets measured at FVTOCI Shares | 4,619,766 | 1. Market approach | 1. Market liquidity reduction | 1. 10%~19% | 1. Negatively correlated to fair value |
| | | 2. Net asset value method | 2. Market liquidity reduction | 2. 10%~19% | 2. Negatively correlated to fair value |
| | | 3. Discounted dividend method | 3. Capital cost | 3. 11.5% | 3. Negatively correlated to fair value |
| | | | 4. Dividend yield | 4. 1.7% | 4. Positively correlated to fair value |
| | | | 5. Dividend growth rate | 5. 15%~33% | 4. Positively correlated to fair value |
| Bonds | 11,753 | Discounted cash flow method | Discount rate | 0%~10% | Negatively correlated to fair value |

40.2.5 Sensitivity analysis of alternative assumptions of Level 3 fair value measurements

The Group 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, if the parameters were to go up by 1%, the influence on net income or other comprehensive income would be as follows:

March 31, 2025

| Item | Changes in Fair Value Reflected in Profit or Loss | | Changes in Fair Value Reflected in Other Comprehensive Income | |
|-------------------------------------|---------------------------------------------------|-------------|---------------------------------------------------------------|-------------|
| | Favorable | Unfavorable | Favorable | Unfavorable |
| Assets | | | | |
| Financial assets measured at FVTPL | \$ 662 | (\$ 662) | \$ - | \$ - |
| Financial assets measured at FVTOCI | - | - | 28,480 | (28,480) |

December 31, 2024

| Item | Changes in Fair Value Reflected in Profit or Loss | | Changes in Fair Value Reflected in Other Comprehensive Income | |
|-------------------------------------|---------------------------------------------------|-------------|---------------------------------------------------------------|-------------|
| | Favorable | Unfavorable | Favorable | Unfavorable |
| Assets | | | | |
| Financial assets measured at FVTPL | \$ 655 | (\$ 655) | \$ - | \$ - |
| Financial assets measured at FVTOCI | - | - | 29,019 | (29,019) |

March 31, 2024

| Item | Changes in Fair Value Reflected in Profit or Loss | | Changes in Fair Value Reflected in Other Comprehensive Income | |
|-------------------------------------|---------------------------------------------------|-------------|---------------------------------------------------------------|-------------|
| | Favorable | Unfavorable | Favorable | Unfavorable |
| Assets | | | | |
| Financial assets measured at FVTPL | \$ 560 | (\$ 560) | \$ - | \$ - |
| Financial assets measured at FVTOCI | - | - | 20,673 | (20,673) |

40.3 Financial risk management

40.3.1 Risk management

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

The Group 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, operation risk and liquidity risk.

The Group's risk management department performs the Group's risk management activities pursuant to the policies approved 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, derivative and non-derivative financial instruments. In addition, the department of internal audit is responsible for independent review of risk management and control environment.

40.3.2 Credit risks

Credit risk is the risk of counterparties' failure to fulfill their contractual obligations causing the Group's financial losses. Both in-balance-sheet and off-balance-sheet items are exposed to credit risks. For the Group'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 Group 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 Group examines and confirms credit risk in accordance with the rules before launching new products and business. Furthermore, the Group also establishes a risk management system for complicated credit business such as factoring, credit derivative financial instruments and so on.

The Group's foreign operation units adopt policies and standards same as 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

The major procedures and methods for credit risk management are as follows:

A Credit business (including loan commitments and guarantees)

The Bank

a. The credit risk has increased significantly since initial 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 initial recognition. For this assessment, the Bank's considerations (including forward-looking information) show that the credit risk has increased significantly since initial recognition and can be corroborated. The main considerations include:

- i. Changes in internal and external credit ratings from the significant increase in credit risk.
- 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 become credit impaired:

- i. Changes in internal and external credit ratings from the significant increase in credit risk.
- 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 initial recognition are used to measure the allowance for loss of the financial instruments; for financial instruments whose credit risk has increased significantly or which have had credit impairment since initial 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 March 31, 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 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.

SCB (HK)

a. The credit risk has increased significantly since initial recognition

SCB assesses the change in the risk of default in the next 12 months of each type of credit asset on each reporting date in order to determine whether the credit risk has increased significantly since initial recognition. For this assessment, SCB considerations (including forward-looking information) show that the credit risk has increased significantly since initial recognition and can be corroborated. The main considerations include:

- i. Changes in internal and external credit ratings and probability of default in the next 12 months.
- 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.
- vi. There is doubt about the collateral rights under the debt, or the collateral price is affected by the surrounding economic environment, and the mortgage value will decline due to economic recession.
- vii. There are unfavorable changes in the business of the debtor industry which are affected by the surrounding economy or policy.
- viii. Key person in debt companies have financial difficulties, debt or dispute litigation, or serious illness or death, all of which have a negative impact on the ability of debt companies to meet their debt obligations.

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

SCB'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, SCB determines that the financial assets have defaulted and have credit impairment:

- i. Information of overdue status (e.g. if the payment is overdue for more than 90 days).
- ii. The debtor has become bankrupt or may file for bankruptcy or financial restructuring.
- iii. The debtor has died or been dissolved.
- iv. Contracts of other debt instruments of the debtor have defaulted.
- v. The active market of the financial assets disappeared due to financial difficulties.
- vi. 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.
- vii. The debtor's overall debt rises and is not proportional to its business growth.
- viii. If the debtor invests in a project or delays the construction of a project, the cost exceeds the budget, and the creditor needs to arrange for debt restructuring.
- ix. There is a purchase or initiation of financial assets at a significant discount reflecting that credit losses have occurred.
- x. Estimated debt contract payments failed to be fully recovered.

The aforementioned default and credit impairment definitions apply to all financial assets held by SCB 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.

If the financial assets no longer meet the definition of default and credit impairment for six consecutive months, their statuses are judged to have returned to performance level and are no longer regarded as financial assets that have defaulted and have been credited.

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.

For financial instruments whose credit risk has not significantly increased since initial recognition, SCB measures the allowance for loss of the financial instruments based on the 12-month expected credit loss amounts; for financial instruments and operating lease receivables whose financial risk has significantly increased or which have had credit impairment since initial recognition, such instruments and operating lease receivables are measured at the amount of expected credit losses during the duration of the period.

The estimation method and significant assumptions used to assess expected credit losses have not changed significantly since March 31, 2025.

d. Forward-looking information considerations

When measuring the expected credit losses, SCB 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, SCB 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 Group 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 Group identifies credit risk by using information from external institutions about credit ratings, quality of debts, region, and the risk of counterparties.

Most of the Group's counterparties in derivative transactions are assessed at higher than investment grade, and the Group 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 Group 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 Group has established procedures for pledges, valuations, management, and disposals of collateral. The contracts between the Group and the borrowers clearly state the protocols, including but not limited to the security of credit, procedures for collateral and for offsets. To further decrease credit risks, the contracts also proclaim that the Group may decrease the credit facilities at its discretion, accelerate the maturity of the borrowings, demand immediate payback, or offset borrowers' assets in the Group against the borrowings.

B. Credit risk limitation and credit concentration management

The credit policies of the Group regulate the credit limitations, as applied to a single counterparty or group, to avoid excessive credit concentration. The Group 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

The contracts between the Group and the borrowers clearly state the protocols, including but not limited to the security of the credit, procedures for collateral and set off. To further decrease credit risks, the contracts also proclaim that the Group may decrease the balances, shorten the maturity period, demand immediate payback, or use borrowers' assets in the Group to offset their liabilities.

In most circumstances, the Group applies gross settlement with counterparties. However, to further decrease credit risks, the Group 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 Group's consolidated balance sheets:

March 31, 2025

| | Book Value | Maximum Exposure to Credit Risk Mitigated by | | | |
|---------------------------------------------------------------------------------------|--------------|----------------------------------------------|----------------------------|--------------------------|------------|
| | | Collateral | Master Netting Arrangement | Other Credit Enhancement | Total |
| Financial instruments subject to IFRS 9 impairment requirements and credit impairment | | | | | |
| Receivables | \$ 1,843,662 | \$ 721,579 | \$ - | \$ - | \$ 721,579 |
| Discounts and loans | 38,946,992 | 32,455,397 | - | 876,659 | 33,332,056 |

December 31, 2024

| | Book Value | Maximum Exposure to Credit Risk Mitigated by | | | |
|---------------------------------------------------------------------------------------|--------------|----------------------------------------------|----------------------------|--------------------------|------------|
| | | Collateral | Master Netting Arrangement | Other Credit Enhancement | Total |
| Financial instruments subject to IFRS 9 impairment requirements and credit impairment | | | | | |
| Receivables | \$ 1,333,574 | \$ 281,781 | \$ - | \$ - | \$ 281,781 |
| Discounts and loans | 19,646,503 | 1,881,227 | - | 804,697 | 2,685,924 |

March 31, 2024

| | Book Value | Maximum Exposure to Credit Risk Mitigated by | | | |
|---------------------------------------------------------------------------------------|------------|----------------------------------------------|----------------------------|--------------------------|-----------|
| | | Collateral | Master Netting Arrangement | Other Credit Enhancement | Total |
| Financial instruments subject to IFRS 9 impairment requirements and credit impairment | | | | | |
| Receivables | \$ 529,192 | \$ 87,185 | \$ - | \$ - | \$ 87,185 |
| Discounts and loans | 17,374,503 | 4,835,420 | - | 696,618 | 5,532,038 |

(3) Credit risk exposures

The maximum exposure of the Group's assets in the consolidated balance sheets 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:

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|--------------------------------------------|----------------|-------------------|----------------|
| Other guarantees | \$ 75,123,408 | \$ 81,497,110 | \$ 82,370,235 |
| Issued and non-cancelable loan commitments | 41,703,412 | 40,210,298 | 79,524,045 |
| Issued but unused letters of credit | 34,833,120 | 35,130,621 | 35,932,269 |
| Non-cancelable credit card commitments | 559,893 | 586,880 | 568,272 |

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

Maximum exposure to credit risk of carrying amounts of financial assets are as follows:

| | March 31, 2025 | | | |
|------------------------------------------------------------------------|------------------|-------------------------------|-----------------------------|------------------|
| | 12-Month ECLs | Lifetime ECLs - Unimpaired | Lifetime ECLs - Impaired | Total |
| Discounts and loans | | | | |
| Consumer banking | | | | |
| -Mortgage | \$ 337,354,351 | \$ 1,611,664 | \$ 2,553,534 | \$ 341,519,549 |
| -Microcredit | 24,182,984 | 172,625 | 1,460,068 | 25,815,677 |
| -Others | 47,030,445 | 188,929 | 593,137 | 47,812,511 |
| Corporate banking | | | | |
| -Secured | 440,616,217 | 12,279,427 | 27,581,014 | 480,476,658 |
| -Unsecured | 306,912,696 | 20,191,816 | 6,759,239 | 333,863,751 |
| Total | \$ 1,156,096,693 | \$ 34,444,461 | \$ 38,946,992 | \$ 1,229,488,146 |
| Accounts receivable (including non-performing credit card receivables) | | | | |
| Credit cards | \$ 3,337,316 | \$ 256,210 | \$ 76,484 | \$ 3,670,010 |
| Others | 21,241,246 | 270,711 | 1,767,178 | 23,279,135 |
| Total | \$ 24,578,562 | \$ 526,921 | \$ 1,843,662 | \$ 26,949,145 |
| Debt instruments measured at FVTOCI | \$ 465,078,198 | \$ 544,002 | \$ - | \$ 465,622,200 |
| Investments in debt instruments measured at amortized cost | \$ 180,801,863 | \$ - | \$ - | \$ 180,801,863 |

| | December 31, 2024 | | | |
|------------------------------------------------------------------------|-------------------|-------------------------------|-----------------------------|------------------|
| | 12-Month ECLs | Lifetime ECLs - Unimpaired | Lifetime ECLs - Impaired | Total |
| Discounts and loans | | | | |
| Consumer banking | | | | |
| -Mortgage | \$ 337,832,776 | \$ 1,560,047 | \$ 1,011,017 | \$ 340,403,840 |
| -Microcredit | 23,458,068 | 199,893 | 1,226,071 | 24,884,032 |
| -Others | 47,063,175 | 164,594 | 855,671 | 48,083,440 |
| Corporate banking | | | | |
| -Secured | 450,766,459 | 20,775,035 | 12,836,156 | 484,377,650 |
| -Unsecured | 309,717,666 | 27,561,304 | 3,717,588 | 340,996,558 |
| Total | \$ 1,168,838,144 | \$ 50,260,873 | \$ 19,646,503 | \$ 1,238,745,520 |
| Accounts receivable (including non-performing credit card receivables) | | | | |
| Credit cards | \$ 3,816,315 | \$ 258,384 | \$ 73,865 | \$ 4,148,564 |
| Others | 19,857,223 | 95,955 | 1,259,709 | 21,212,887 |
| Total | \$ 23,673,538 | \$ 354,339 | \$ 1,333,574 | \$ 25,361,451 |
| Debt instruments measured at FVTOCI | \$ 432,033,122 | \$ 406,272 | \$ - | \$ 432,439,394 |
| Investments in debt instruments measured at amortized cost | \$ 235,151,978 | \$ - | \$ - | \$ 235,151,978 |

| | March 31, 2024 | | | |
|------------------------------------------------------------------------|------------------|-------------------------------|-----------------------------|------------------|
| | 12-Month ECLs | Lifetime ECLs - Unimpaired | Lifetime ECLs - Impaired | Total |
| Discounts and loans | | | | |
| Consumer banking | | | | |
| -Mortgage | \$ 326,178,776 | \$ 1,621,678 | \$ 576,500 | \$ 328,376,954 |
| -Microcredit | 22,606,282 | 1,376,899 | 1,084,344 | 25,067,525 |
| -Others | 46,992,186 | 1,087,891 | 80,998 | 48,161,075 |
| Corporate banking | | | | |
| -Secured | 487,642,553 | 16,364,897 | 4,673,050 | 508,680,500 |
| -Unsecured | 310,055,799 | 20,051,342 | 10,959,611 | 341,066,752 |
| Total | \$ 1,193,475,596 | \$ 40,502,707 | \$ 17,374,503 | \$ 1,251,352,806 |
| Accounts receivable (including non-performing credit card receivables) | | | | |
| Credit cards | \$ 4,374,661 | \$ 223,997 | \$ 71,658 | \$ 4,670,316 |
| Others | 15,681,013 | 151,999 | 457,534 | 16,290,546 |
| Total | \$ 20,055,674 | \$ 375,996 | \$ 529,192 | \$ 20,960,862 |
| Debt instruments measured at FVTOCI | \$ 388,164,889 | \$ 792,059 | \$ 95,995 | \$ 389,052,943 |
| Investments in debt instruments measured at amortized cost | \$ 232,688,193 | \$ - | \$ - | \$ 232,688,193 |

(4) Information on concentration of credit risk

Concentration of credit risk exists if transaction counterparties are significantly concentrated on same individuals or groups 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 Group maintains a diversified loan portfolio to mitigate the credit risk concentration to same customers; total discounts and loans transactions with same customers and non-performing loans are not material. The Group's most significant concentrations of credit risk of discounts and loans and non-performing loans by industry, region, and collateral were summarized as follows:

A. Industry

| Sector | March 31, 2025 | | December 31, 2024 | | March 31, 2024 | |
|-----------------------|-------------------------|------------|-------------------------|------------|-------------------------|------------|
| | Amount | % | Amount | % | Amount | % |
| Private sector | \$ 714,115,888 | 58 | \$ 726,087,738 | 59 | \$ 745,036,796 | 59 |
| Consumer | 455,578,265 | 37 | 453,777,954 | 36 | 445,768,084 | 36 |
| Financial institution | 53,460,867 | 4 | 51,020,491 | 4 | 53,229,779 | 4 |
| Others | 6,333,126 | 1 | 7,859,337 | 1 | 7,318,147 | 1 |
| | <u>\$ 1,229,488,146</u> | <u>100</u> | <u>\$ 1,238,745,520</u> | <u>100</u> | <u>\$ 1,251,352,806</u> | <u>100</u> |

B. Region

| Region | March 31, 2025 | | December 31, 2024 | | March 31, 2024 | |
|----------------------------|-------------------------|------------|-------------------------|------------|-------------------------|------------|
| | Amount | % | Amount | % | Amount | % |
| Taiwan | \$ 789,427,699 | 64 | \$ 788,810,986 | 64 | \$ 769,148,348 | 61 |
| Asia Pacific except Taiwan | 309,726,163 | 25 | 316,090,626 | 25 | 338,232,065 | 27 |
| Others | 130,334,284 | 11 | 133,843,908 | 11 | 143,972,393 | 12 |
| | <u>\$ 1,229,488,146</u> | <u>100</u> | <u>\$ 1,238,745,520</u> | <u>100</u> | <u>\$ 1,251,352,806</u> | <u>100</u> |

C. Collateral

| Collaterals Assumed | March 31, 2025 | | December 31, 2024 | | March 31, 2024 | |
|----------------------|-------------------------|------------|-------------------------|------------|-------------------------|------------|
| | Amount | % | Amount | % | Amount | % |
| Unsecured | \$ 328,235,452 | 27 | \$ 339,906,786 | 27 | \$ 343,318,433 | 27 |
| Secured | | | | | | |
| Properties | 800,494,769 | 65 | 794,984,935 | 64 | 794,657,646 | 64 |
| Guarantee | 53,501,067 | 4 | 56,909,172 | 4 | 65,961,226 | 5 |
| Financial collateral | 24,688,101 | 2 | 25,033,199 | 2 | 26,278,860 | 2 |
| Personal properties | 2,754,707 | - | 2,883,481 | 1 | 2,809,761 | 1 |
| Other collateral | 19,814,050 | 2 | 19,027,947 | 2 | 18,326,880 | 1 |
| | <u>\$ 1,229,488,146</u> | <u>100</u> | <u>\$ 1,238,745,520</u> | <u>100</u> | <u>\$ 1,251,352,806</u> | <u>100</u> |

(5) Information on credit risk quality

Part of the financial assets held by the Group, such as cash and cash equivalents, financial assets at fair value through profit or loss, investments in bills and bonds with resale agreements, guarantee deposits paid, operating guarantees, clearing and settlement funds, etc. are assessed to have very low credit risk because the counterparties have good credit ratings.

40.3.3 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 Group or its investment structures.

The Group'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 Group.

(2) Market risk management policies

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

The Group also builds a market risk information system, which enables the Group to effectively monitor the management of the investment limits, assessment of gains and losses, and analysis of sensitivity factors. The results of the monitoring, assessment and analysis are reported to the board of directors in risk control meetings and serve as references for the decision making of the management.

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

(3) Market risk management process

A. Recognition and measurement

The Group'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 (PV01, 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 Group'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 Group 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

A. Definition of interest rate risk

Interest rate risk represents risks of changes in fair value of investment portfolio and loss in earnings resulting from changes in interest rates. Major products include interest rate-related financial securities and derivative instruments.

B. Purpose of interest risk management

Interest rate risk management enhances the Group's ability to deal with a contingency, to measure, manage and avoid negative influence on earnings and economic values of balance sheet items affected by the changes in interest rates. In addition, it enhances the efficiency of capital and the business management.

C. Procedures of interest risk management

The Group carefully chooses investment target through conducting research about issuers' credit, financial status, country risks and interest rate trend. The Group also establishes trading amount limit and stop-loss limit including limit for trading department, trader and trading commodity, etc. which are approved by top management and the board of directors.

When the Group undertakes business activities related to interest rate commodities, it will identify interest rate reprising risks and yield curve risks, and measure the possible impact of interest rate changes on the Group's earnings and economic value. The Group 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 on a monthly.

When risk management objective has exceeded its limit, it will be reported to the strategy management committee for resolution of response actions.

D. Measurement methods

The Group 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 Group 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 regularly. In addition, the Group regularly uses DV01 and IRRBB to measure portfolio affected by interest rate.

(5) Foreign exchange rate risk management

A. Definition of foreign exchange rate risk

Foreign exchange risk means losses resulting from currencies exchange at different times. The Group's foreign exchange rate risk results mainly from spot and forward foreign exchange. The Group's foreign exchange rate risk is relatively insignificant due to the fact that transactions 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 Group has established trading limit, stop-loss limit and maximum loss for trading department and trader and the risk is controlled within the tolerable range.

The Group 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 board of directors.

(6) Equity securities price risk management

A. Definition of equity securities price risk

The market risk of equity securities held by the Group includes individual and general risk from price fluctuations 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 Group regularly uses β value to measure the degree of influence on investment portfolio system risk. Stop-loss point is set according to the policy approved by the assets and liabilities management committee. 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 Group's control of security price risk is based on risk values.

(7) Market valuation technique

The Group assesses its exposures to market risk and the anticipated loss under market pressures by using assumptions on changes in several market conditions. Limits of various financial instruments are set by the board of directors and monitored by its risk management department. The Group also establishes 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 Group assesses the possible impact on profit or loss and equity if global yield curve moves between -1 to +1 basis points simultaneously on March 31, 2025, December 31, 2024 and March 31, 2024 while other factors remain unchanged.

b. Foreign exchange rate risk

The Group assesses the possible impact on profit or loss and equity when exchange rates of NTD against various currencies fluctuate between -1% and +1% on March 31, 2025, December 31, 2024 and March 31, 2024 while other factors remain unchanged.

The functional currency of SCB (HK) is HKD, and the major foreign currency is USD; as the two currencies were under the Linked Exchange Rate System, there was insignificant foreign exchange rate risk.

c. Equity securities price risk

The Group assesses the possible impact on profit or loss and equity when equity security prices on March 31, 2025, December 31, 2024 and March 31, 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:

| March 31, 2025 | | | |
|-----------------------|-------------------------------------------------|------------|----------------|
| Major Risk | Fluctuation Range | Amount | |
| | | Equity | Profit or Loss |
| Foreign exchange risk | Foreign currency appreciated 1% against the NTD | \$ 977,410 | (\$ 16,150) |
| | Foreign currency depreciated 1% against NTD | (977,410) | 16,150 |
| Interest rate risk | Interest rate curve edged up 1bp | (95,207) | 4,666 |
| | Interest rate curve edged down 1bp | 95,207 | (4,666) |
| Equity price risk | Equity price increased 1% | 433,045 | 319 |
| | Equity price decreased 1% | (433,045) | (319) |

| December 31, 2024 | | | |
|-----------------------|-------------------------------------------------|------------|----------------|
| Major Risk | Fluctuation Range | Amount | |
| | | Equity | Profit or Loss |
| Foreign exchange risk | Foreign currency appreciated 1% against the NTD | \$ 928,756 | (\$ 21,390) |
| | Foreign currency depreciated 1% against NTD | (928,756) | 21,390 |
| Interest rate risk | Interest rate curve edged up 1bp | (87,504) | 6,878 |
| | Interest rate curve edged down 1bp | 87,504 | (6,878) |
| Equity price risk | Equity price increased 1% | 415,003 | 1,501 |
| | Equity price decreased 1% | (415,003) | (1,501) |

| March 31, 2024 | | | |
|-----------------------|-------------------------------------------------|------------|----------------|
| Major Risk | Fluctuation Range | Amount | |
| | | Equity | Profit or Loss |
| Foreign exchange risk | Foreign currency appreciated 1% against the NTD | \$ 881,701 | (\$ 25,145) |
| | Foreign currency depreciated 1% against NTD | (881,701) | 25,145 |
| Interest rate risk | Interest rate curve edged up 1bp | (84,549) | 12,846 |
| | Interest rate curve edged down 1bp | 84,549 | (12,846) |
| Equity price risk | Equity price increased 1% | 235,620 | 1,512 |
| | Equity price decreased 1% | (235,620) | (1,512) |

40.3.4 Liquidity risk

(1) The sources and definition of liquidity risk

Liquidity risk is the possibility that the Group 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 Group'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 management procedures are monitored by the independent department of risk management; 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 Group 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 Group holds certain position of highly liquid interest bearing assets to fulfill its obligation and for future needs. To manage the liquidity risk, the Group holds the following assets: Cash and cash equivalents, due from the Central Bank and banks, and financial assets at fair value through profit or loss, etc.

(3) Maturity analysis

The Group analyzed cash outflows of non-derivative financial liabilities according to the remaining terms from date of the balance sheets 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 consolidated balance sheets.

| March 31, 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 | \$ 32,061,432 | \$ 6,087,956 | \$ 1,823,953 | \$ 1,802,098 | \$ 3,188,515 | \$ 44,963,954 |
| Financial liabilities measured at FVTPL | - | - | - | - | 2,568,110 | 2,568,110 |
| Securities sold under repurchase agreements | 6,990,827 | 401,629 | 200,076 | - | - | 7,592,532 |
| Payables | 37,225,350 | 1,157,309 | 969,321 | 732,853 | 877,390 | 40,962,223 |
| Deposits and remittances | 1,061,930,405 | 447,749,035 | 265,104,232 | 224,533,765 | 16,032,121 | 2,015,349,558 |
| Bank debentures | - | - | 370,499 | 1,370,499 | 57,999,870 | 59,740,868 |
| Other financial liabilities | 10,815,100 | 44,252 | 76,911 | 161,427 | 1,188,556 | 12,286,246 |
| Lease liabilities | 39,982 | 99,491 | 126,592 | 223,372 | 1,337,271 | 1,826,708 |

| 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 | \$ 29,805,776 | \$ 6,704,283 | \$ 3,121,236 | \$ 1,915,760 | \$ 3,049,971 | \$ 44,597,026 |
| 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 | 33,284,674 | 927,227 | 674,415 | 712,767 | 833,086 | 36,432,169 |
| Deposits and remittances | 1,037,404,157 | 487,940,448 | 205,416,668 | 299,656,688 | 15,802,079 | 2,046,220,040 |
| Bank debentures | - | 365,813 | - | 1,365,813 | 57,860,361 | 59,591,987 |
| Other financial liabilities | 8,744,284 | 67,298 | 71,727 | 136,355 | 961,446 | 9,981,110 |
| Lease liabilities | 41,053 | 80,862 | 146,018 | 221,857 | 1,388,669 | 1,878,459 |

| March 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 | \$ 16,085,962 | \$ 6,579,951 | \$ 2,167,634 | \$ 2,528,055 | \$ 6,722,549 | \$ 34,084,151 |
| Financial liabilities measured at FVTPL | - | - | - | - | 2,520,920 | 2,520,920 |
| Securities sold under repurchase agreements | 2,092,948 | 150,030 | 28,304 | - | - | 2,271,282 |
| Payables | 31,879,400 | 2,022,198 | 828,965 | 695,924 | 701,897 | 36,128,384 |
| Deposits and remittances | 1,023,035,403 | 457,271,168 | 268,836,088 | 230,839,008 | 14,660,004 | 1,994,641,671 |
| Bank debentures | - | 3,000,000 | 7,256,978 | 356,978 | 55,943,961 | 66,557,917 |
| Other financial liabilities | 6,022,116 | 25,402 | 144,529 | 122,640 | 679,132 | 6,993,819 |
| Lease liabilities | 43,842 | 75,083 | 137,530 | 257,083 | 1,498,114 | 2,011,652 |

The Group evaluated the contractual maturity date to comprehend all derivative financial instruments on the consolidated balance sheets. 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 consolidated balance sheets. Maturity analysis of derivative financial liabilities is as follows:

A. Net settled derivative financial liabilities

| March 31, 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 | \$ 71,955 | \$ 25,860 | \$ 6,802 | \$ 30,287 | \$ - | \$ 134,904 |
| Interest rate derivatives | - | 429 | 65 | 5,221 | 352,008 | 357,723 |

| 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 | \$ 32,353 | \$ 11,129 | \$ 7,044 | \$ 54,773 | \$ - | \$ 105,299 |
| Interest rate derivatives | 232 | 136 | 973 | 425 | 463,080 | 464,846 |

| March 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 | \$ 15,404 | \$ 18,283 | \$ 10,022 | \$ 44,678 | \$ - | \$ 88,387 |
| Interest rate derivatives | 738 | 1,418 | 3,895 | 3,051 | 271,660 | 280,762 |

B. Gross settled derivative financial liabilities

| March 31, 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 | \$ 356,216,196 | \$ 227,570,849 | \$ 9,032,093 | \$ 6,040,551 | \$ - | \$ 598,859,689 |
| Cash outflow | 356,451,583 | 227,902,030 | 9,236,722 | 6,100,583 | - | 599,690,918 |
| Interest rate derivatives | | | | | | |
| Cash inflow | - | 52,778 | - | 247,946 | 297,394 | 598,118 |
| Cash outflow | - | 52,778 | - | 247,946 | 297,394 | 598,118 |

| 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 | \$ 193,649,118 | \$ 142,346,847 | \$ 61,950,972 | \$ 46,640,207 | \$ 2,123,848 | \$ 446,710,992 |
| Cash outflow | 193,283,376 | 141,479,211 | 62,232,079 | 46,737,264 | 2,131,349 | 445,863,279 |

| March 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 | \$ 333,700,466 | \$ 205,324,215 | \$ 61,600,653 | \$ 17,102,463 | \$ 634,758 | \$ 618,362,555 |
| Cash outflow | 335,569,302 | 207,151,095 | 62,999,072 | 17,568,328 | 639,960 | 623,927,757 |
| Interest rate derivatives | | | | | | |
| Cash inflow | 5,349 | 9,688 | 9,983 | 19,806 | - | 44,826 |
| Cash outflow | 5,349 | 9,688 | 9,983 | 19,806 | - | 44,826 |

The analysis of cash outflows of in-balance-sheet items is illustrated according to the remaining days from the balance sheet date to maturity date of the contract. For financial guarantee contracts, the largest amount is categorized under the earliest possible date to take responsibility. The disclosure of cash outflows of off-balance sheet items is based on contractual cash flows and may differ from those included in the balance sheets.

| March 31, 2025 | 0~30 days | 31~90 days | 91~180 days | 181 days~1 year | Over 1 year | Total |
|----------------------------------------|---------------|---------------|--------------|-----------------|---------------|---------------|
| Other guarantees | \$ 18,183,199 | \$ 10,204,954 | \$ 9,271,538 | \$ 20,846,155 | \$ 16,617,562 | \$ 75,123,408 |
| Non-cancelable loan commitments | 13,290,254 | 1,164,384 | 923,517 | 3,270,198 | 23,055,059 | 41,703,412 |
| Issued but unused letters of credit | 29,805,491 | 4,195,191 | 644,219 | 188,219 | - | 34,833,120 |
| Non-cancelable credit card commitments | 83,928 | 167,856 | 251,784 | 56,325 | - | 559,893 |

| December 31, 2024 | 0~30 days | 31~90 days | 91~180 days | 181 days~1 year | Over 1 year | Total |
|----------------------------------------|---------------|---------------|--------------|-----------------|---------------|---------------|
| Other guarantees | \$ 27,550,956 | \$ 12,730,623 | \$ 7,765,090 | \$ 14,783,660 | \$ 18,666,781 | \$ 81,497,110 |
| Non-cancelable loan commitments | 11,069,717 | 115,577 | 1,270,333 | 2,473,789 | 25,280,882 | 40,210,298 |
| Issued but unused letters of credit | 30,754,719 | 3,743,786 | 234,379 | 186,395 | 211,342 | 35,130,621 |
| Non-cancelable credit card commitments | 87,973 | 175,947 | 263,920 | 59,040 | - | 586,880 |

| March 31, 2024 | 0~30 days | 31~90 days | 91~180 days | 181 days~1 year | Over 1 year | Total |
|----------------------------------------|---------------|---------------|--------------|-----------------|---------------|---------------|
| Other guarantees | \$ 18,406,828 | \$ 20,656,735 | \$ 7,914,877 | \$ 17,970,763 | \$ 17,421,032 | \$ 82,370,235 |
| Non-cancelable loan commitments | 22,174,795 | 3,624,628 | 2,521,325 | 4,195,120 | 47,008,176 | 79,524,044 |
| Issued but unused letters of credit | 30,372,338 | 4,248,620 | 882,654 | 280,209 | 148,448 | 35,932,269 |
| Non-cancelable credit card commitments | 85,184 | 170,368 | 255,552 | 57,168 | - | 568,272 |

40.4 Transfer of financial assets

In the daily transactions of the Group, 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 Group may repurchase the transferred financial assets in the future. The Group is not eligible to conduct, sell, or pledge the transferred financial assets during the effective period prior to derecognition. However, the Group 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.

| March 31, 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 |
| Financial assets measured at FVTOCI | | | | | |
| Securities sold under repurchase agreements | \$ 7,586,000 | \$ 7,592,532 | \$ 7,586,000 | \$ 7,592,532 | (\$ 6,532) |

| 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 |
| Financial assets measured at FVTOCI | | | | | |
| Securities sold under repurchase agreements | \$ 4,778,000 | \$ 4,783,153 | \$ 4,778,000 | \$ 4,783,153 | \$ 5,153 |

| March 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 |
| Financial assets measured at FVTOCI | | | | | |
| Securities sold under repurchase agreements | \$ 2,262,600 | \$ 2,271,283 | \$ 2,262,600 | \$ 2,271,283 | (\$ 8,683) |

41. 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.

41.1 The Bank

| For the Three Months Ended March 31, 2025 | | |
|-----------------------------------------------------------------------|-----------------|------------------|
| | Average Balance | Average Rate (%) |
| Interest-bearing assets | | |
| Cash and cash equivalents - due from other banks | \$ 13,400,284 | 0.99 |
| Due from the Central Bank and call loans to banks | 90,090,627 | 2.22 |
| Securities purchased under resell agreements | 11,459,575 | 1.52 |
| Credit card revolving balances | 671,399 | 12.25 |
| Discounts and loans (excluding non-performing loans) | 893,353,472 | 2.94 |
| Financial assets measured at FVTPL | 2,295,579 | 4.41 |
| Financial assets measured at FVTOCI - investments in debt instruments | 225,678,963 | 3.43 |
| Investments in debt instruments measured at amortized cost | 188,728,674 | 1.20 |
| Interest-bearing liabilities | | |
| Due to the central bank and banks | 20,825,413 | 3.97 |
| Financial liabilities measured at FVTPL | 2,865,489 | 6.28 |
| Securities sold under repurchase agreements | 4,117,297 | 1.15 |
| Negotiable certificates of deposit | 63,771,252 | 1.79 |
| Demand deposits | 275,629,851 | 0.60 |
| Savings deposits | 207,119,482 | 0.84 |
| Time deposits | 435,402,543 | 2.34 |
| Time savings | 277,312,069 | 1.70 |
| Bank debentures | 48,220,000 | 1.44 |
| Other financial liabilities | 8,844,317 | 3.73 |
| Lease liabilities | 780,302 | 1.39 |
| For the Three Months Ended March 31, 2024 | | |
| | Average Balance | Average Rate (%) |
| Interest-bearing assets | | |
| Cash and cash equivalents - due from other banks | \$ 18,512,971 | 0.94 |
| Due from the Central Bank and call loans to banks | 82,712,586 | 2.68 |
| Securities purchased under resell agreements | 6,321,214 | 1.20 |
| Credit card revolving balances | 630,218 | 12.14 |
| Discounts and loans (excluding non-performing loans) | 873,173,460 | 3.05 |
| Financial assets measured at FVTOCI - investments in debt instruments | 223,292,669 | 3.29 |
| Investments in debt instruments measured at amortized cost | 223,082,704 | 1.28 |
| Interest-bearing liabilities | | |
| Due to the central bank and banks | 14,025,868 | 3.41 |
| Financial liabilities measured at FVTPL | 2,417,055 | 6.22 |
| Securities sold under repurchase agreements | 1,140,335 | 0.99 |
| Negotiable certificates of deposit | 58,577,254 | 1.51 |
| Demand deposits | 281,681,011 | 0.78 |
| Savings deposits | 207,730,219 | 0.77 |
| Time deposits | 465,514,346 | 2.27 |
| Time savings | 246,685,412 | 1.58 |
| Bank debentures | 57,766,774 | 1.35 |
| Other financial liabilities | 6,441,156 | 4.96 |
| Lease liabilities | 720,596 | 1.02 |

41.2 SCB (HK)

| | For the Three Months Ended March 31, 2025 | |
|----------------------------------------------------------------------------------------------------|-------------------------------------------|------------------|
| | Average Balance | Average Rate (%) |
| Interest-bearing assets | | |
| Call loans to banks | \$ 367,214,484 | 3.89 |
| Discounts and loans (excluding non-performing loans) | 310,038,059 | 5.58 |
| Credit card revolving balances | 127,536 | 29.46 |
| Debt instruments (including investments in debt instruments measured at FVTOCI and amortized cost) | 240,426,512 | 3.64 |
| Interest-bearing liabilities | | |
| Due to banks | 23,995,201 | 3.37 |
| Demand deposits | 216,757,276 | 0.15 |
| Time deposits | 550,860,490 | 3.67 |
| Bank debentures | 11,522,482 | 6.55 |
| | | |
| | For the Three Months Ended March 31, 2024 | |
| | Average Balance | Average Rate (%) |
| Interest-bearing assets | | |
| Call loans to banks | \$ 327,387,760 | 4.54 |
| Discounts and loans (excluding non-performing loans) | 360,888,512 | 6.35 |
| Credit card revolving balances | 121,599 | 28.42 |
| Debt instruments (including investments in debt instruments measured at FVTOCI and amortized cost) | 189,296,378 | 2.78 |
| Interest-bearing liabilities | | |
| Due to banks | 19,569,478 | 4.06 |
| Demand deposits | 195,886,045 | 0.37 |
| Time deposits | 535,457,971 | 4.48 |
| Bank debentures | 12,726,508 | 6.66 |

42. CAPITAL MANAGEMENT

All the Group'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.

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

43.1 Assets quality: As stated in Table 1

43.2 Concentration of credit risks

Top 10 credit extensions information of the Bank and SCB(HK) were as below:

| Ranking (Note 1) | March 31, 2025 | | | | | |
|---------------------|----------------------------------------------------------------|--------------------------------------|-------------------------|---------------------------------------------------------------|--------------------------------------|-------------------------------------|
| | The Bank | | | SCB (HK) | | |
| | Group Name (Note 2) | Credit Extension Balance (Note 3) | % of Net Asset Value | Group Name (Note 2) | Credit Extension Balance (Note 3) | % of Net Asset Value (Note 4) |
| 1 | A Group (retail sale of electric and communications equipment) | 11,017,336 | 5.41% | Q Group (hotel and property development) | 13,578,444 | 8.01% |
| 2 | B Group (general management agency) | 8,299,343 | 4.07% | R Group (hotel and property development) | 11,285,794 | 6.66% |
| 3 | C Group (general management agency) | 8,125,367 | 3.99% | S Group (hotel and property development) | 7,391,255 | 4.36% |
| 4 | D Group (computer manufacturing) | 6,472,798 | 3.18% | T Group (property development) | 7,376,538 | 4.35% |
| 5 | E Group (real estate development) | 5,978,872 | 2.93% | U Group (broadcasting and entertainment industry) | 6,790,217 | 4.01% |
| 6 | F Group (electric power supply) | 5,459,373 | 2.68% | V Group (conglomerate company) | 6,348,380 | 3.75% |
| 7 | G Group (computer and peripheral manufacturing) | 4,511,699 | 2.21% | W Group (property investment and development) | 6,181,651 | 3.65% |
| 8 | H Group (wiring and cable system manufacturing) | 4,222,556 | 2.07% | X Group (investment holding) | 6,048,484 | 3.57% |
| 9 | I Group (financial leasing) | 4,093,124 | 2.01% | Y Group (property development) | 5,830,608 | 3.44% |
| 10 | J Group (real estate selling and leasing) | 4,019,155 | 1.97% | Z Group (property development, apparel and commodity trading) | 5,548,012 | 3.27% |

| Ranking (Note 1) | December 31, 2024 | | | | | |
|---------------------|----------------------------------------------------------------|--------------------------------------|-------------------------|---------------------------------------------------|--------------------------------------|-------------------------------------|
| | The Bank | | | SCB (HK) | | |
| | Group Name (Note 2) | Credit Extension Balance (Note 3) | % of Net Asset Value | Group Name (Note 2) | Credit Extension Balance (Note 3) | % of Net Asset Value (Note 4) |
| 1 | A Group (retail sale of electric and communications equipment) | 10,609,309 | 5.36% | Q Group (hotel and property development) | 13,425,395 | 8.29% |
| 2 | C Group (general management agency) | 8,145,220 | 4.11% | R Group (hotel and property development) | 11,285,083 | 6.97% |
| 3 | B Group (general management agency) | 7,507,925 | 3.79% | T Group (property development) | 8,501,816 | 5.25% |
| 4 | D Group (computer manufacturing) | 6,674,387 | 3.37% | S Group (hotel and property development) | 7,348,459 | 4.54% |
| 5 | E Group (real estate development) | 5,899,702 | 2.98% | U Group (broadcasting and entertainment industry) | 6,715,580 | 4.15% |
| 6 | F Group (electric power supply) | 5,272,437 | 2.66% | a Group (property investment and development) | 6,575,798 | 4.06% |
| 7 | I Group (financial leasing) | 4,507,372 | 2.28% | Y Group (property development) | 6,521,851 | 4.03% |
| 8 | H Group (wiring and cable system manufacturing) | 4,280,715 | 2.16% | V Group (conglomerate company) | 6,266,125 | 3.87% |
| 9 | K Group (computer manufacturing) | 4,190,660 | 2.12% | W Group (property investment and development) | 6,115,374 | 3.78% |
| 10 | L Group (real estate development) | 3,895,000 | 1.97% | X Group (investment holding) | 5,981,877 | 3.69% |

| Ranking (Note 1) | March 31, 2024 | | | | | |
|---------------------|-------------------------------------------------|--------------------------------------|-------------------------|---------------------------------------------------------------|--------------------------------------|-------------------------------------|
| | The Bank | | | SCB (HK) | | |
| | Group Name (Note 2) | Credit Extension Balance (Note 3) | % of Net Asset Value | Group Name (Note 2) | Credit Extension Balance (Note 3) | % of Net Asset Value (Note 4) |
| 1 | C Group (general management agency) | 8,276,868 | 4.29% | Q Group (hotel and property development) | 13,158,890 | 8.67% |
| 2 | B Group (general management agency) | 7,335,564 | 3.81% | R Group (hotel and property development) | 11,240,216 | 7.41% |
| 3 | D Group (computer manufacturing) | 6,470,576 | 3.36% | b Group (investment holding) | 10,669,104 | 7.03% |
| 4 | M Group (real estate and leasing) | 5,460,366 | 2.83% | S Group (hotel and property development) | 8,495,401 | 5.60% |
| 5 | E Group (real estate development) | 5,194,434 | 2.70% | T Group (property development) | 7,994,179 | 5.27% |
| 6 | N Group (real estate development) | 4,264,107 | 2.21% | c Group (other holding) | 7,729,707 | 5.10% |
| 7 | O Group (apparel manufacturing) | 4,092,577 | 2.12% | U Group (broadcasting and entertainment industry) | 6,505,164 | 4.29% |
| 8 | H Group (wiring and cable system manufacturing) | 4,041,385 | 2.10% | a Group (property investment and development) | 6,303,818 | 4.16% |
| 9 | P Group (metallic furniture manufacturing) | 3,936,084 | 2.04% | Z Group (property development, apparel and commodity trading) | 6,185,421 | 4.08% |
| 10 | F Group (electric power supply) | 3,865,037 | 2.01% | d Group (hotel and property development) | 6,069,183 | 4.00% |

Note 1: The top 10 credit extensions ranking is made by total credit balance, which excludes government-owned or state-run enterprises. If the borrower is an affiliate of the Group enterprise, the credit balance of the borrower is then aggregated to the Group 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 the Republic of China published by the Directorate General of Budget, Accounting and Statistics under the Executive Yuan.

Note 2: "Group 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), bills of exchange, accounts receivable - without recourse factoring, acceptances receivable and guarantees issued.

Note 4: It is net equity of SCB (HK).

43.3 Interest rate sensitivity information

43.3.1 The Bank

Interest Rate Sensitivity (NTD)

March 31, 2025

| Item | 1~90 days | 91~180 days | 181 days~1 year | Over 1 year | Total |
|--------------------------------------------------------|----------------|----------------|-----------------|---------------|------------------|
| Interest rate sensitive assets | \$ 909,744,457 | \$ 43,679,601 | \$ 5,834,646 | \$ 66,678,739 | \$ 1,025,937,443 |
| Interest rate sensitive liabilities | 200,263,797 | 528,093,783 | 186,386,998 | 55,679,088 | 970,423,666 |
| Interest rate sensitivity gap | 709,480,660 | (484,414,182) | (180,552,352) | 10,999,651 | 55,513,777 |
| Net equity | | | | | 203,802,282 |
| Ratio of interest rate sensitive assets to liabilities | | | | | 105.72% |
| Ratio of interest rate sensitivity gap to net equity | | | | | 27.24% |

March 31, 2024

| Item | 1~90 days | 91~180 days | 181 days~1 year | Over 1 year | Total |
|--------------------------------------------------------|----------------|----------------|-----------------|---------------|------------------|
| Interest rate sensitive assets | \$ 901,136,496 | \$ 38,963,403 | \$ 17,107,429 | \$ 77,020,614 | \$ 1,034,227,942 |
| Interest rate sensitive liabilities | 243,985,929 | 499,067,418 | 177,186,853 | 55,034,980 | 975,275,180 |
| Interest rate sensitivity gap | 657,150,567 | (460,104,015) | (160,079,424) | 21,985,634 | 58,952,762 |
| Net equity | | | | | 192,737,264 |
| Ratio of interest rate sensitive assets to liabilities | | | | | 106.04% |
| Ratio of interest rate sensitivity gap to net equity | | | | | 30.59% |

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 denominated in NT dollars).

Interest Rate Sensitivity (USD)**March 31, 2025**

| Item | 1~90 days | 91~180 days | 181 days~1 year | Over 1 year | Total |
|--------------------------------------------------------|--------------|--------------|-----------------|-------------|--------------|
| Interest rate sensitive assets | \$ 8,359,486 | \$ 74,843 | \$ - | \$ - | \$ 8,434,329 |
| Interest rate sensitive liabilities | 3,912,242 | 3,501,532 | 651,955 | 152,061 | 8,217,790 |
| Interest rate sensitivity gap | 4,447,244 | (3,426,689) | (651,955) | (152,061) | 216,539 |
| Net equity | | | | | 6,136,775 |
| Ratio of interest rate sensitive assets to liabilities | | | | | 102.64% |
| Ratio of interest rate sensitivity gap to net equity | | | | | 3.53% |

March 31, 2024

| Item | 1~90 days | 91~180 days | 181 days~1 year | Over 1 year | Total |
|--------------------------------------------------------|--------------|--------------|-----------------|-------------|--------------|
| Interest rate sensitive assets | \$ 8,254,740 | \$ 132,922 | \$ - | \$ - | \$ 8,387,662 |
| Interest rate sensitive liabilities | 3,196,732 | 4,087,115 | 523,589 | 97,726 | 7,905,162 |
| Interest rate sensitivity gap | 5,058,008 | (3,954,193) | (523,589) | (97,726) | 482,500 |
| Net equity | | | | | 6,025,679 |
| Ratio of interest rate sensitive assets to liabilities | | | | | 106.10% |
| Ratio of interest rate sensitivity gap to net equity | | | | | 8.01% |

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

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 denominated in US dollars).

43.3.2 SCB (HK)

Interest Rate Sensitivity (USD)

March 31, 2025

| Item | 1~90 days | 91~180 days | 181 days~1 year | Over 1 year | Total |
|--------------------------------------------------------|--------------|-------------|-----------------|--------------|---------------|
| Interest rate sensitive assets | \$ 6,951,778 | \$ 381,679 | \$ 708,642 | \$ 2,206,228 | \$ 10,248,327 |
| Interest rate sensitive liabilities | 7,490,393 | 954,583 | 322,670 | 498,362 | 9,266,008 |
| Interest rate sensitivity gap | (538,615) | (572,904) | 385,972 | 1,707,866 | 982,319 |
| Net equity | | | | | 5,110,541 |
| Ratio of interest rate sensitive assets to liabilities | | | | | 110.60% |
| Ratio of interest rate sensitivity gap to net equity | | | | | 19.22% |

March 31, 2024

| Item | 1~90 days | 91~180 days | 181 days~1 year | Over 1 year | Total |
|--------------------------------------------------------|--------------|-------------|-----------------|--------------|--------------|
| Interest rate sensitive assets | \$ 6,685,096 | \$ 417,191 | \$ 687,228 | \$ 1,431,052 | \$ 9,220,567 |
| Interest rate sensitive liabilities | 6,197,504 | 1,080,566 | 581,525 | 517,473 | 8,377,068 |
| Interest rate sensitivity gap | 487,592 | (663,375) | 105,703 | 913,579 | 843,499 |
| Net equity | | | | | 4,781,123 |
| Ratio of interest rate sensitive assets to liabilities | | | | | 110.07% |
| Ratio of interest rate sensitivity gap to net equity | | | | | 17.64% |

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

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 denominated in US dollars).

43.4 Profitability

The Group

Unit: %

| Items | | March 31, 2025 | March 31, 2024 |
|------------------------|-------------------|----------------|----------------|
| Return on total assets | Before income tax | 1.13 | 1.11 |
| | After income tax | 0.95 | 0.87 |
| Return on equity | Before income tax | 10.36 | 10.72 |
| | After income tax | 8.70 | 8.42 |
| Profit margin | | 42.68 | 42.70 |

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.

Note 5: The quarterly profitability of each quarter is converted to the annual benchmark figures expressed in the annual rates.

43.5 Maturity analysis of assets and liabilities

43.5.1 The Bank

(1) Maturity analysis of New Taiwan Dollars assets and liabilities

March 31, 2025

| | Total | For remaining period to maturity date | | | | | |
|--------------------------------|------------------|---------------------------------------|----------------|-----------------|-----------------|-----------------|----------------|
| | | 0~10 days | 11~30 days | 31~90 days | 91~180 days | 181 days~1 year | Over 1 year |
| Major cash inflow on maturity | \$ 1,120,111,715 | \$ 132,942,927 | \$ 103,467,615 | \$ 66,056,393 | \$ 80,599,743 | \$ 108,368,690 | \$ 628,676,347 |
| Major cash outflow on maturity | 1,444,381,569 | 33,906,155 | 65,894,292 | 170,054,666 | 237,935,012 | 307,835,205 | 628,756,239 |
| Gap | (324,269,854) | 99,036,772 | 37,573,323 | (103,998,273) | (157,335,269) | (199,466,515) | (79,892) |

March 31, 2024

| | Total | For remaining period to maturity date | | | | | |
|--------------------------------|------------------|---------------------------------------|----------------|-----------------|-----------------|-----------------|----------------|
| | | 0~10 days | 11~30 days | 31~90 days | 91~180 days | 181 days~1 year | Over 1 year |
| Major cash inflow on maturity | \$ 1,127,556,681 | \$ 134,900,326 | \$ 115,021,242 | \$ 75,735,748 | \$ 77,245,460 | \$ 112,108,472 | \$ 612,545,433 |
| Major cash outflow on maturity | 1,480,345,875 | 52,110,419 | 82,637,384 | 261,679,339 | 287,438,789 | 249,891,175 | 546,588,769 |
| Gap | (352,789,194) | 82,789,907 | 32,383,858 | (185,943,591) | (210,193,329) | (137,782,703) | 65,956,664 |

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

(2) Maturity analysis of US Dollars assets and liabilities

March 31, 2025

| | Total | For remaining period to maturity date | | | | |
|--------------------------------|---------------|---------------------------------------|---------------|---------------|-----------------|--------------|
| | | 0~30 days | 31~90 days | 91~180 days | 181 days~1 year | Over 1 year |
| Major cash inflow on maturity | \$ 12,876,877 | \$ 1,967,594 | \$ 1,102,743 | \$ 681,650 | \$ 616,400 | \$ 8,508,490 |
| Major cash outflow on maturity | 13,217,845 | 3,364,037 | 2,902,870 | 2,328,193 | 2,996,076 | 1,626,669 |
| Gap | (340,968) | (1,396,443) | (1,800,127) | (1,646,543) | (2,379,676) | 6,881,821 |

March 31, 2024

| | Total | For remaining period to maturity date | | | | |
|--------------------------------|---------------|---------------------------------------|---------------|---------------|-----------------|--------------|
| | | 0~30 days | 31~90 days | 91~180 days | 181 days~1 year | Over 1 year |
| Major cash inflow on maturity | \$ 13,088,705 | \$ 2,086,321 | \$ 1,232,629 | \$ 758,909 | \$ 737,760 | \$ 8,273,086 |
| Major cash outflow on maturity | 14,618,133 | 3,172,497 | 2,614,122 | 2,211,584 | 2,109,601 | 4,510,329 |
| Gap | (1,529,428) | (1,086,176) | (1,381,493) | (1,452,675) | (1,371,841) | 3,762,757 |

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

43.5.2 SCB (HK)

Maturity analysis of US Dollars assets and liabilities

March 31, 2025

| | Total | For remaining period to maturity date | | | | |
|--------------------------------|---------------|---------------------------------------|---------------|-------------|-----------------|--------------|
| | | 0~30 days | 31~90 days | 91~180 days | 181 days~1 year | Over 1 year |
| Major cash inflow on maturity | \$ 10,280,594 | \$ 2,166,333 | \$ 2,217,118 | \$ 784,359 | \$ 1,036,651 | \$ 4,076,133 |
| Major cash outflow on maturity | 9,361,997 | 4,806,495 | 3,355,962 | 730,163 | 122,259 | 347,118 |
| Gap | 918,597 | (2,640,162) | (1,138,844) | 54,196 | 914,392 | 3,729,015 |

March 31, 2024

| | Total | For remaining period to maturity date | | | | |
|--------------------------------|--------------|---------------------------------------|---------------|-------------|-----------------|--------------|
| | | 0~30 days | 31~90 days | 91~180 days | 181 days~1 year | Over 1 year |
| Major cash inflow on maturity | \$ 9,336,910 | \$ 3,139,625 | \$ 752,933 | \$ 694,620 | \$ 1,192,494 | \$ 3,557,238 |
| Major cash outflow on maturity | 8,451,743 | 3,950,620 | 2,836,433 | 890,892 | 424,098 | 349,700 |
| Gap | 885,167 | (810,995) | (2,083,500) | (196,272) | 768,396 | 3,207,538 |

Note: This table includes only financial assets/liabilities held by SCB.

44. 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

| | March 31, 2025 | March 31, 2024 |
|-----------------------------------------------------|-----------------------|-----------------------|
| Trust Assets | | |
| Bank deposit | \$ 8,439,424 | \$ 8,084,942 |
| Short-term investments | 115,976,708 | 107,030,498 |
| Net asset value of collective investment trust fund | 4,661,435 | 6,532,081 |
| Accounts receivable | 7,427 | 19,525 |
| Land | 34,313,709 | 29,305,395 |
| Buildings and improvement, net | 89,708 | 88,660 |
| Construction in progress | 14,294,035 | 9,963,596 |
| Securities in custody | 64,776,025 | 58,748,908 |
| Other assets | 62,241 | 60,468 |
| Total trust assets | <u>\$ 242,620,712</u> | <u>\$ 219,834,073</u> |
| | March 31, 2025 | March 31, 2024 |
| Trust Liabilities | | |
| Accounts payable | \$ 180 | \$ 194 |
| Depository of security payable | 64,776,025 | 58,748,908 |
| Trust capital | 177,786,960 | 161,151,511 |
| Accumulated (loss) gain and equity | 57,547 | (66,540) |
| Total trust liabilities | <u>\$ 242,620,712</u> | <u>\$ 219,834,073</u> |

Trust Asset Lists

| Item | March 31, 2025 | March 31, 2024 |
|----------------------------------------------|-----------------------|-----------------------|
| Cash in banks | \$ 8,439,424 | \$ 8,084,942 |
| Short-term investment | | |
| Funds | 65,967,000 | 65,736,000 |
| Bonds | 39,399,055 | 32,361,426 |
| Common stocks | 4,822,088 | 4,390,964 |
| Structured instruments | 5,610,274 | 4,350,096 |
| Preferred stock | 178,291 | 192,012 |
| Net asset value of collective trust accounts | 4,661,435 | 6,532,081 |
| Receivables | 7,427 | 19,525 |
| Land | 34,313,709 | 29,305,395 |
| Buildings and improvement, net | 89,708 | 88,660 |
| Construction in progress | 14,294,035 | 9,963,596 |
| Depository of securities | 64,776,025 | 58,748,908 |
| Other assets - principal deferred expense | 62,241 | 60,468 |
| Total | <u>\$ 242,620,712</u> | <u>\$ 219,834,073</u> |

Income Statements of Trust Account

| | For the Three Months Ended March 31 | |
|------------------------------|-------------------------------------|--------------------|
| | 2025 | 2024 |
| Trust income | | |
| Dividend income | \$ - | \$ 61 |
| Interest income | 15,897 | 10,382 |
| Donation income | 937 | 35 |
| Realized investment gains | 813 | 10,693 |
| Unrealized investment gains | 129,762 | 269,759 |
| Other revenue | 34,487 | 11,875 |
| | <u>\$ 181,896</u> | <u>\$ 302,805</u> |
| Trust expenses | | |
| Tax expenditures | \$ 7,000 | \$ - |
| Management expenses | 2,242 | 1,875 |
| Service expenses | 256 | 444 |
| Realized investment losses | 74 | 1,857 |
| Unrealized investment losses | 209,125 | 387,097 |
| Donation expenses | 759 | - |
| Other expenses | - | (29) |
| | <u>219,456</u> | <u>391,244</u> |
| (Loss) before income tax | (37,560) | (88,439) |
| Income tax expense | (8) | (10) |
| Net (loss) | <u>(\$ 37,568)</u> | <u>(\$ 88,449)</u> |

45. EXCHANGE RATE INFORMATION OF FOREIGN FINANCIAL ASSETS AND LIABILITIES

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

45.1 The Bank

| | March 31, 2025 | | | December 31, 2024 | | | March 31, 2024 | | |
|---------------------------------------------------|--------------------|---------------|--------------------|--------------------|---------------|--------------------|--------------------|---------------|--------------------|
| | Foreign Currencies | Exchange Rate | New Taiwan Dollars | Foreign Currencies | Exchange Rate | New Taiwan Dollars | Foreign Currencies | Exchange Rate | New Taiwan Dollars |
| Financial assets | | | | | | | | | |
| Cash and cash equivalents | | | | | | | | | |
| CNY | \$ 1,242,873 | 4.5750 | \$ 5,686,144 | \$ 442,332 | 4.4790 | \$ 1,981,205 | \$ 1,084,560 | 4.4081 | \$ 4,780,849 |
| JPY | 15,553,368 | 0.2231 | 3,469,956 | 21,229,026 | 0.2099 | 4,455,973 | 29,852,823 | 0.2114 | 6,310,887 |
| USD | 84,331 | 33.2100 | 2,800,633 | 94,685 | 32.7900 | 3,104,721 | 139,505 | 31.9980 | 4,463,881 |
| Due from the Central Bank and call loans to banks | | | | | | | | | |
| USD | 757,324 | 33.2100 | 25,150,730 | 777,084 | 32.7900 | 25,480,584 | 1,195,884 | 31.9980 | 38,265,896 |
| CNY | 676,150 | 4.5750 | 3,093,386 | 896,950 | 4.4790 | 4,017,439 | 431,500 | 4.4081 | 1,902,095 |
| VND | 1,140,000,000 | 0.0013 | 1,482,000 | 1,220,000,000 | 0.0013 | 1,586,000 | 1,040,000,000 | 0.0013 | 1,352,000 |
| Receivables | | | | | | | | | |
| USD | 117,941 | 33.2100 | 3,916,821 | 47,318 | 32.7900 | 1,551,557 | 50,998 | 31.9980 | 1,631,834 |
| JPY | 1,728,823 | 0.2231 | 385,700 | 3,321,376 | 0.2099 | 697,157 | 1,018,328 | 0.2114 | 215,275 |
| HKD | 13,987 | 4.2685 | 59,704 | - | - | - | 22,672 | 4.0888 | 92,701 |
| Discounts and loans | | | | | | | | | |
| USD | 3,510,943 | 33.2100 | 116,598,417 | 3,554,727 | 32.7900 | 116,559,498 | 3,459,848 | 31.9980 | 110,708,216 |
| CNY | 2,483,455 | 4.5750 | 11,361,807 | 2,763,883 | 4.4790 | 12,379,432 | 2,960,142 | 4.4081 | 13,048,602 |
| JPY | 24,097,488 | 0.2231 | 5,376,150 | 23,335,680 | 0.2099 | 4,898,159 | 10,322,236 | 0.2114 | 2,182,121 |
| Financial assets at FVTOCI | | | | | | | | | |
| USD | 3,843,212 | 33.2100 | 127,633,071 | 3,719,363 | 32.7900 | 121,957,913 | 3,352,280 | 31.9980 | 107,266,255 |
| AUD | 523,113 | 20.8450 | 10,904,290 | 580,549 | 20.3800 | 11,831,589 | 917,598 | 20.8563 | 19,137,699 |
| JPY | 19,895,343 | 0.2231 | 4,438,651 | 17,746,328 | 0.2099 | 3,724,954 | 13,445,535 | 0.2114 | 2,842,386 |
| Financial assets measured at amortized cost | | | | | | | | | |
| USD | 96,184 | 33.2100 | 3,194,271 | 208,452 | 32.7900 | 6,835,141 | 378,451 | 31.9980 | 12,109,675 |
| AUD | 140,000 | 20.8450 | 2,918,300 | 180,000 | 20.3800 | 3,668,400 | 203,000 | 20.8563 | 4,233,829 |
| SGD | 46,642 | 24.7750 | 1,155,556 | 39,803 | 24.1200 | 960,048 | 53,960 | 23.7022 | 1,278,971 |
| Financial assets at FVTPL | | | | | | | | | |
| USD | 69,137 | 33.2100 | 2,296,040 | 28,703 | 32.7900 | 941,171 | 29,583 | 31.9980 | 946,597 |
| AUD | 38,561 | 20.8450 | 803,804 | 56 | 20.3800 | 1,141 | 63 | 20.8563 | 1,314 |
| JPY | 1,816,789 | 0.2231 | 405,326 | 1,356,585 | 0.2099 | 284,747 | 630,487 | 0.2114 | 133,285 |
| Equity investments under the equity method | | | | | | | | | |
| USD | 3,110,039 | 33.2100 | 103,284,395 | 3,010,678 | 32.7900 | 98,720,132 | 2,901,798 | 31.9980 | 92,851,732 |
| HKD | 112,226 | 4.2685 | 479,035 | 110,218 | 4.2235 | 465,504 | 101,360 | 4.0888 | 414,441 |
| Financial liabilities | | | | | | | | | |
| Payables | | | | | | | | | |
| USD | 144,519 | 33.2100 | 4,799,476 | 82,220 | 32.7900 | 2,695,994 | 78,113 | 31.9980 | 2,499,460 |
| JPY | 845,159 | 0.2231 | 188,555 | 924,017 | 0.2099 | 193,951 | 835,598 | 0.2114 | 176,645 |
| CNY | 12,837 | 4.5750 | 58,729 | - | - | - | - | - | - |
| Deposits from the central bank and other banks | | | | | | | | | |
| USD | 368,988 | 33.2100 | 12,254,091 | 350,052 | 32.7900 | 11,478,205 | 171,186 | 31.9980 | 5,477,610 |
| VND | 2,014,000,000 | 0.0013 | 2,618,200 | 2,084,000,000 | 0.0013 | 2,678,565 | 2,124,000,000 | 0.0013 | 2,761,200 |
| EUR | 5,203 | 35.9500 | 187,048 | 5,414 | 34.1300 | 184,780 | 2,035 | 34.4826 | 70,172 |
| Deposits and remittances | | | | | | | | | |
| USD | 7,624,435 | 33.2100 | 253,207,486 | 7,721,088 | 32.7900 | 253,174,476 | 7,687,180 | 31.9980 | 245,974,386 |
| JPY | 123,805,076 | 0.2231 | 27,620,912 | 140,024,171 | 0.2099 | 29,391,073 | 187,635,438 | 0.2114 | 39,666,132 |
| CNY | 3,732,743 | 4.5750 | 17,077,299 | 3,825,535 | 4.4790 | 17,134,571 | 4,671,338 | 4.4081 | 20,591,725 |
| Financial liabilities at FVTPL | | | | | | | | | |
| USD | 96,483 | 33.2100 | 3,204,200 | 93,675 | 32.7900 | 3,071,603 | 108,158 | 31.9980 | 3,460,840 |
| JPY | 37,596 | 0.2231 | 8,388 | 10,492 | 0.2099 | 2,202 | 1,349 | 0.2114 | 285 |
| EUR | 175 | 35.9500 | 6,291 | 112 | 34.1300 | 3,823 | 33 | 34.4826 | 1,138 |

45.2 SCB (HK)

| | March 31, 2025 | | | December 31, 2024 | | | March 31, 2024 | | |
|---------------------------------------------------|--------------------|---------------|--------------------|--------------------|---------------|--------------------|--------------------|---------------|--------------------|
| | Foreign Currencies | Exchange Rate | New Taiwan Dollars | Foreign Currencies | Exchange Rate | New Taiwan Dollars | Foreign Currencies | Exchange Rate | New Taiwan Dollars |
| Financial assets | | | | | | | | | |
| Cash and cash equivalents | | | | | | | | | |
| CNY | \$ 759,959 | 4.5750 | \$ 3,476,812 | \$ 734,533 | 4.4790 | \$ 3,289,973 | \$ 838,475 | 4.4081 | \$ 3,696,082 |
| JPY | 13,012,643 | 0.2231 | 2,903,121 | 4,263,240 | 0.2099 | 894,854 | 13,110,923 | 0.2114 | 2,771,649 |
| USD | 22,915 | 33.2100 | 761,007 | 28,528 | 32.7900 | 935,433 | 52,696 | 31.9980 | 1,686,167 |
| Due from the Central Bank and call loans to banks | | | | | | | | | |
| USD | 3,622,886 | 33.2100 | 120,316,044 | 3,601,594 | 32.7900 | 118,096,267 | 2,585,622 | 31.9980 | 82,734,733 |
| CNY | 4,606,398 | 4.5750 | 21,074,271 | 5,881,190 | 4.4790 | 26,341,850 | 6,269,481 | 4.4081 | 27,636,499 |
| Receivables | | | | | | | | | |
| USD | 26,613 | 33.2100 | 883,818 | 41,838 | 32.7900 | 1,371,868 | 30,849 | 31.9980 | 987,106 |
| CNY | 17,531 | 4.5750 | 80,204 | 9,781 | 4.4790 | 43,809 | 6,679 | 4.4081 | 29,442 |
| Discounts and loans | | | | | | | | | |
| USD | 3,096,508 | 33.2100 | 102,835,031 | 3,205,673 | 32.7900 | 105,114,018 | 3,778,398 | 31.9980 | 120,901,179 |
| CNY | 3,524,785 | 4.5750 | 16,125,891 | 3,940,043 | 4.4790 | 17,647,453 | 4,856,344 | 4.4081 | 21,407,250 |
| GBP | 338,911 | 43.0400 | 14,586,729 | 361,209 | 41.1600 | 14,867,362 | 451,627 | 40.3959 | 18,243,879 |
| Financial liabilities | | | | | | | | | |
| Payables | | | | | | | | | |
| USD | 58,271 | 33.2100 | 1,935,180 | 14,261 | 32.7900 | 467,618 | 24,156 | 31.9980 | 772,944 |
| CNY | 11,390 | 4.5750 | 52,109 | 5,556 | 4.4790 | 24,885 | 9,461 | 4.4081 | 41,705 |
| Deposits from the central bank and other banks | | | | | | | | | |
| GBP | 151,556 | 43.0400 | 6,522,970 | 26,556 | 41.1600 | 1,093,045 | 693 | 40.3959 | 27,994 |
| USD | 179,844 | 33.2100 | 5,972,619 | 318,564 | 32.7900 | 10,445,714 | 316,592 | 31.9980 | 10,130,311 |
| CNY | 1,151,049 | 4.5750 | 5,266,049 | 1,425,381 | 4.4790 | 6,384,281 | 1,060,123 | 4.4081 | 4,673,128 |
| Deposits and remittances | | | | | | | | | |
| USD | 8,722,055 | 33.2100 | 289,659,447 | 8,545,108 | 32.7900 | 280,194,091 | 7,694,543 | 31.9980 | 246,209,987 |
| CNY | 9,069,613 | 4.5750 | 41,493,479 | 9,931,061 | 4.4790 | 44,481,222 | 11,741,783 | 4.4081 | 51,758,954 |

46. ADDITIONAL DISCLOSURES

46.1 Information of significant transaction items and 46.2 Other business investment is as follows:

46.1.1 Financing provided: Table 2.

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

46.1.3 Marketable securities held: Table 3.

46.1.4 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: The Bank - none; investees - not applicable or none.

46.1.5 Acquisition of individual real estate at costs of at least \$300 million or 10% of the issued capital: None.

46.1.6 Disposal of individual real estate at prices of at least \$300 million or 10% of the issued capital: Table 4.

46.1.7 Allowance for service fees to related-parties amounting to more than \$5 million: None.

46.1.8 Receivables from related parties amounting to at least \$300 million or 10% of the issued capital: None.

46.1.9 Sale of non-performing loans: Table 5.

46.1.10 Application for approval of securitization product types and information according to Financial Asset Securitization Clause of the Real State Securitization Act: None.

46.1.11 Other significant transactions which may have effects on decision making of financial statement users: None.

46.1.12 Names, locations, and other information of investees on which the Bank exercises significant influence: None.

46.1.13 Derivative financial transactions: Note 8 on which the Bank exercises significant influence has no such transactions.

46.3 Investments in Mainland China:

46.3.1 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 6.

46.3.2 Significant direct or indirect transactions with the investees, prices and terms of payment, unrealized gain or loss: None.

46.4 Significant transactions and the amount among the parent and its subsidiaries: Table 7.

46.5 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.

47. SEGMENT INFORMATION

Information reported to the chief operating decision maker focuses on the major geographical areas and profit or loss of the segments. The Group's segments mainly operate in Taiwan and Hong Kong.

The Group provides income before tax of each operating segment to the chief operating decision maker as the basis of resource allocation and assessment of segment performance. The Group did not periodically provide information on all assets of each operating segment to the chief operating decision maker, thus the amount of assets was zero.

The significant accounting policies of each operating segment are in line with the Group's significant accounting policies stated in Note 4.

The operating segments information is as follows:

| For the Three Months Ended March 31, 2025 | | | | | |
|---------------------------------------------------------------------|---------------------|---------------------|-------------------|-------------------|---------------------|
| | Taiwan | Hong Kong | Others | Other Adjustments | Total |
| Net interest income | \$ 4,405,968 | \$ 4,663,553 | \$ 506,761 | \$ - | \$ 9,576,282 |
| Non-interest income | 2,083,779 | 2,073,425 | 92,622 | (990) | 4,248,836 |
| Net revenue | 6,489,747 | 6,736,978 | 599,383 | (990) | 13,825,118 |
| Provisions for bad-debt expense, commitment and guarantee liability | (450,534) | (896,227) | (161,384) | - | (1,508,145) |
| Operating expenses | (2,465,810) | (2,379,705) | (441,667) | (3,870) | (5,291,052) |
| Profit before income tax | <u>\$ 3,573,403</u> | <u>\$ 3,461,046</u> | <u>(\$ 3,668)</u> | <u>(\$ 4,860)</u> | <u>\$ 7,025,921</u> |
| For the Three Months Ended March 31, 2024 | | | | | |
| | Taiwan | Hong Kong | Others | Other Adjustments | Total |
| Net interest income | \$ 4,788,132 | \$ 4,103,084 | \$ 500,665 | \$ - | \$ 9,391,881 |
| Non-interest income | 1,665,007 | 1,175,194 | 110,233 | (854) | 2,949,580 |
| Net revenue | 6,453,139 | 5,278,278 | 610,898 | (854) | 12,341,461 |
| Provisions for bad-debt expense, commitment and guarantee liability | (300,000) | (295,191) | (103,488) | - | (698,679) |
| Operating expenses | (2,426,549) | (2,065,378) | (433,930) | (8,680) | (4,934,537) |
| Profit before income tax | <u>\$ 3,726,590</u> | <u>\$ 2,917,709</u> | <u>\$ 73,480</u> | <u>(\$ 9,534)</u> | <u>\$ 6,708,245</u> |

Main operating clients

The Group's revenue from any single external client did not exceed 10% of the total revenue, thus main operating clients were not disclosed.

TABLE 1

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

**OVERDUE LOANS AND RECEIVABLES
MARCH 31, 2025, DECEMBER 31, 2024 AND MARCH 31, 2024
(Amounts in Thousands of New Taiwan Dollars, %)**

| Date | | March 31, 2025 | | | | | December 31, 2024 | | | | | March 31, 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 | \$ 1,756,168 | \$ 299,100,499 | 0.59 | \$ 3,850,223 | 219.24 | \$ 1,266,590 | \$ 298,278,932 | 0.42 | \$ 3,404,233 | 268.77 | \$ 1,608,920 | \$ 306,083,352 | 0.53 | \$ 3,509,019 | 218.10 | |
| | Unsecured | 204,191 | 245,109,462 | 0.08 | 2,550,997 | 1,249.32 | 182,754 | 245,978,450 | 0.07 | 2,520,594 | 1,379.23 | 2,821,874 | 230,557,579 | 1.22 | 3,091,646 | 109.56 | |
| Consumer banking | Mortgage (Note 4) | | 807,556 | 313,285,964 | 0.26 | 5,090,354 | 630.34 | 667,686 | 314,694,197 | 0.21 | 4,939,240 | 739.75 | 416,500 | 302,333,989 | 0.14 | 4,648,949 | 1,116.19 |
| | Cash cards | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | Microcredit (Note 5) | | 26,508 | 3,263,866 | 0.81 | 45,608 | 172.05 | 14,735 | 3,439,961 | 0.43 | 39,302 | 266.73 | 13,362 | 4,058,389 | 0.33 | 44,306 | 331.58 |
| | Others (Note 6) | Secured | 113,455 | 35,836,784 | 0.32 | 413,876 | 364.79 | 124,000 | 36,294,913 | 0.34 | 404,209 | 325.98 | 34,972 | 34,657,820 | 0.10 | 356,320 | 1,018.87 |
| | | Unsecured | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | | 2,907,878 | 896,596,575 | 0.32 | 11,951,058 | 410.99 | 2,255,765 | 898,686,453 | 0.25 | 11,307,578 | 501.27 | 4,895,628 | 877,691,129 | 0.56 | 11,650,240 | 237.97 | |
| | | 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 | | 8,222 | 2,917,848 | 0.28 | 48,455 | 589.33 | 9,313 | 3,320,790 | 0.28 | 50,304 | 540.15 | 11,819 | 3,959,283 | 0.30 | 69,861 |
| Accounts receivable factored without recourse (Note 7) | | - | 207,599 | - | 2,076 | - | - | 228,353 | - | 2,284 | - | - | 278,628 | - | 2,786 | - | |

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.

TABLE 1-1

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

OVERDUE LOANS AND RECEIVABLES
MARCH 31, 2025, DECEMBER 31, 2024 AND MARCH 31, 2024
(Amounts in Thousands of New Taiwan Dollars)

| | March 31, 2025 | | December 31, 2024 | | March 31, 2024 | |
|---------------------------------------------------------------|----------------|------------------------------|-------------------|------------------------------|----------------|------------------------------|
| | Excluded NPL | Excluded Overdue Receivables | Excluded NPL | Excluded Overdue Receivables | Excluded NPL | Excluded Overdue Receivables |
| As a result of debt negotiations and loan agreements (Note 1) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| As a result of consumer debt clearance (Note 2) | - | 32,924 | - | 32,588 | - | 28,461 |

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).

TABLE 2

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

LOANS AND OTHER INFORMATION

MARCH 31, 2025

(Amounts in Thousands of New Taiwan Dollars)

| No (Note1) | 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 | \$ 82,350 | \$ 137,250 | \$ 27,450 | 6%~11% | 1 | \$ 27,450 | - | \$ 16,470 | Real estate | \$ 275,873 | \$ 394,795 | \$ 986,989 |

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
MARCH 31, 2025
(Amounts in Thousands of New Taiwan Dollars)

| Holding Company Name | Name | Security Issuer's Relationship with Holding Company | Financial Statement Account | March 31, 2025 | | | | 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 | \$ 23,737 | 100.00 | \$ 23,737 | Note |
| | Krinein Company | Indirect subsidiary | Investments in subsidiaries | 2 | 34,019 | 100.00 | 34,019 | Note |
| | Safehaven Investment Corporation | Indirect subsidiary | Investments in subsidiaries | 1 | 59,837 | 100.00 | 59,837 | Note |
| | Shanghai Commercial & Savings Bank, Ltd. | The Bank | Financial assets measured at FVTOCI | 11,370 | 511,633 | 0.23 | 511,633 | |
| Wresqueue Limitada | Prosperity Realty Inc. | Indirect subsidiary | Investments in subsidiaries | 4 | 46,813 | 100.00 | 46,813 | Note |
| China Travel Service (Taiwan) | Silks Place Taroko | - | Equity investments under the | 20,372 | 199,326 | 45.00 | 199,326 | |
| | CTS Travel International Ltd. | Indirect subsidiary | Investments in subsidiaries | 600 | 7,023 | 100.00 | 7,023 | Note |
| | Joy Tour Service Co., Ltd. | - | Financial assets measured at FVTOCI | 100 | 419 | 11.00 | 419 | |
| | Shanghai Commercial & Savings Bank, Ltd. | The Bank | Financial assets measured at FVTOCI | 27 | 1,252 | - | 1,252 | |
| SCSB Asset Management Ltd. | SCSB Leasing (China) Co., Ltd. | Indirect subsidiary | Investments in subsidiaries | N/A | 963,742 | 100.00 | 963,742 | Note |
| | Fubon Financial Holding Co., Ltd. Preferred Shares C | - | Financial assets measured at FVTOCI | 2 | 104,400 | - | 104,400 | |
| Krinein Company | Shanghai Commercial Bank (HK) | Indirect subsidiary | Investments in subsidiaries | 1,920 | 16,218,076 | 9.60 | 16,218,076 | Note |
| Empresa Inversiones Generales, S.A. | Shanghai Commercial Bank (HK) | Indirect subsidiary | Investments in subsidiaries | 9,600 | 81,090,382 | 48.00 | 81,090,382 | Note |

Note: A consolidated entity; the related intercompany transaction was eliminated in the consolidated financial statements.

TABLE 4

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

**ACQUISITION OF REAL ESTATE AT PRICES REACHEING \$300 MILLION OR 10% OF THE ISSUED CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(Amounts in Thousands of Hong Kong Dollars)**

| Seller | Property | Event Date (Note 1) | Acquisition Date | Carrying Amount (Note 2) | Transaction Amount (Note 2) | Payment Status | Disposal Gain or Loss (Note 2) | Counterparty | Relationship | Purpose of Disposal | Purpose of Acquisition and Usage | Other Terms |
|---------------------------------------|----------------------------------------------------------------------------------------------------|------------------------|---------------------|--------------------------------|-----------------------------------|---------------------------------------------------------------------|--------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|--------------|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| The Shanghai Commercial Bank, Ltd. | Residential property, 33 Catchick Street, Kennedy Town, Western District, Hong Kong | 2024/4/24 | Not Applicable | HK\$ 284,995 | HK\$ 488,050 | Payment schedule is according to the terms of the contract | HK\$ 188,800 | Eligible persons, persons or companies aged 18 or above who hold a valid Hong Kong Identity Card and a valid passport | Notes 3 | Disposal of non- owner-occupied residential real estate of the subsidiary company | 173 residential units, the total price is determined with reference by valuation company, appraisal as of March 31, 2024 Cushman & Wakefield: HK\$1,709,000 Jones Lang LaSalle: HK\$1,828,000 | None |

Note 1: The event date was the date of the resolution of the board of directors of our subsidiary – The Shanghai Commercial Bank (HK).

Note 2: The transaction amount represented the total for 55 residential units that were contracted and transferred between January 1, 2025 and March 31, 2025.

Note 3: Among 173 residential units, room F on the 9th and 10th floor of the unit was sold to Mr. John Con-Sing Yung, non-executive chairman of Shanghai Commercial Bank Co., Ltd. The above transaction was announced on August 21, 2024. For the disposal gain or loss, please refer to Note 36.

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

**SALE OF NON-PERFORMING LOANS
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(Amounts in Thousands of United States Dollars)**

| Transaction Date | 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 | Not applicable/ Subject to the confidentiality agreement | Loan Claims | US\$20,030 | - | - | Subject to the confidentiality agreement | Non-related party |

Note: Subject to the confidentiality agreement. 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

INVESTMENT IN MAINLAND CHINA

MARCH 31, 2025

(Amounts in Thousands of New Taiwan Dollars and United States 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 March 31, 2025 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 March 31, 2025 | % Ownership of Direct or Indirect Investment | Investment Gain (Loss) (Note 2) | Carrying Amount as of March 31, 2025 (Note 3) | Accumulated Inward Remittance of Earnings as of March 31, 2025 |
|------------------------------------------------------------|-----------------------------------------------|---------------------------------|--------------------------|-----------------------------------------------------------|------------------|----------------|--------------------------------------------------------|----------------------------------------------|---------------------------------|-----------------------------------------------|----------------------------------------------------------------|
| | | | | | Outflow | Inflow | | | | | |
| SCSB Leasing (China) Co., Ltd. | Leasing operation | \$ 996,300 US\$ 30,000 | Note 1 (3) | \$ 996,300 US\$ 30,000 | \$ - US\$ - | \$ - US\$ - | \$ 996,300 US\$ 30,000 | 100% | (\$ 22,942) (US\$ 698) | \$ 963,742 US\$ 29,020 | \$ - |
| Bank of Shanghai | Banking business approved by local government | 64,995,529 US\$ 1,957,107 | Note 4 | 3,744,195 US\$ 112,743 | - US\$ - | - US\$ - | 3,744,195 US\$ 112,743 | 3% | - US\$ - | 19,212,544 US\$ 578,517 | - |
| Shanghai Commercial Bank Ltd. - Shenzhen Branch | Banking business approved by local government | 3,207,190 US\$ 96,573 | Note 4 | 2,121,887 US\$ 63,893 | - US\$ - | - US\$ - | 2,121,887 US\$ 63,893 | 100% | 32,401 US\$ 985 | 3,096,241 US\$ 93,232 | - |
| Shanghai Commercial Bank Ltd. - Shanghai Branch | Banking business approved by local government | 3,579,709 US\$ 107,790 | Note 4 | 2,149,252 US\$ 64,717 | - US\$ - | - US\$ - | 2,149,252 US\$ 64,717 | 100% | (45,682) (US\$ 1,389) | 3,722,290 US\$ 112,083 | - |
| The Shanghai Commercial & Savings Bank, Ltd. - Wuxi Branch | Banking business approved by local government | 2,879,539 US\$ 86,707 | Note 1 (1) | 2,879,539 US\$ 86,707 | - US\$ - | - US\$ - | 2,879,539 US\$ 86,707 | 100% | 2,966 US\$ 90 | 3,013,667 US\$ 90,746 | - |

2. Upper limit on investments in mainland China:

| Accumulated Investment in Mainland China as of March 31, 2025 (Note 3) | | Investment Amounts Authorized by Investment Commission, MOEA (Note 3) | | Upper Limit on Investment Authorized by Investment Commission MOEA |
|------------------------------------------------------------------------|--------------|-----------------------------------------------------------------------|--------------|--------------------------------------------------------------------|
| \$ 11,891,173 | US\$ 358,060 | \$ 12,690,991 | US\$ 382,144 | \$ 165,483,821 |

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: Except for SCSB Leasing (China) Co., Ltd., the financial statements of the remaining entities are recognized based on audits conducted and certified by international accounting firms affiliated with domestic CPA firms.

Note 3: Calculated using the exchange rate on March 31, 2025.

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

TABLE 7

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS FOR THE THREE MONTHS ENDED MARCH 31, 2025 (Amounts in Thousands of New Taiwan Dollars)

| No | Company Name | Counterparty | Nature of Relationship | Intercompany Transaction | | | |
|----|----------------------------------------------|-------------------------------|-----------------------------------|---------------------------------------------------|---------|--------|-----------------------------------------------------------------------|
| | | | | Financial Statement Item | Amount | Term | Percentage of Consolidated Total Gross Sales or Total Assets (Note 3) |
| 0 | The Shanghai Commercial & Savings Bank, Ltd. | SCSB Asset Management Ltd. | From parent company to subsidiary | Accounts payable | \$ 49 | Note 4 | - |
| 0 | The Shanghai Commercial & Savings Bank, Ltd. | SCSB Asset Management Ltd. | From parent company to subsidiary | Deposits and remittances | 9,476 | Note 4 | - |
| 0 | The Shanghai Commercial & Savings Bank, Ltd. | SCSB Asset Management Ltd. | From parent company to subsidiary | Other liabilities | 352 | Note 4 | - |
| 0 | The Shanghai Commercial & Savings Bank, Ltd. | SCSB Asset Management Ltd. | From parent company to subsidiary | Interest expenses | 52 | Note 4 | - |
| 0 | The Shanghai Commercial & Savings Bank, Ltd. | SCSB Asset Management Ltd. | From parent company to subsidiary | Other non-interest income | 235 | Note 4 | - |
| 0 | The Shanghai Commercial & Savings Bank, Ltd. | SCSB Marketing | From parent company to subsidiary | Accounts payable | 20 | Note 4 | - |
| 0 | The Shanghai Commercial & Savings Bank, Ltd. | SCSB Marketing | From parent company to subsidiary | Deposits and remittances | 14,773 | Note 4 | - |
| 0 | The Shanghai Commercial & Savings Bank, Ltd. | SCSB Marketing | From parent company to subsidiary | Other liabilities | 20 | Note 4 | - |
| 0 | The Shanghai Commercial & Savings Bank, Ltd. | SCSB Marketing | From parent company to subsidiary | Interest expenses | 46 | Note 4 | - |
| 0 | The Shanghai Commercial & Savings Bank, Ltd. | SCSB Marketing | From parent company to subsidiary | Other non-interest income | 20,852 | Note 4 | - |
| 0 | The Shanghai Commercial & Savings Bank, Ltd. | China Travel Service (Taiwan) | From parent company to subsidiary | Accounts payable | 560 | Note 4 | - |
| 0 | The Shanghai Commercial & Savings Bank, Ltd. | China Travel Service (Taiwan) | From parent company to subsidiary | Deposits and remittances | 164,049 | Note 4 | - |
| 0 | The Shanghai Commercial & Savings Bank, Ltd. | China Travel Service (Taiwan) | From parent company to subsidiary | Other liabilities | 189 | Note 4 | - |
| 0 | The Shanghai Commercial & Savings Bank, Ltd. | China Travel Service (Taiwan) | From parent company to subsidiary | Interest expenses | 630 | Note 4 | - |
| 0 | The Shanghai Commercial & Savings Bank, Ltd. | China Travel Service (Taiwan) | From parent company to subsidiary | Other non-interest income | 180 | Note 4 | - |
| 0 | The Shanghai Commercial & Savings Bank, Ltd. | China Travel Service (Taiwan) | From parent company to subsidiary | Other general and administrative expenses | 294 | Note 4 | - |
| 0 | The Shanghai Commercial & Savings Bank, Ltd. | CTS Travel International Ltd. | From parent company to subsidiary | Accounts payable | 25 | Note 4 | - |
| 0 | The Shanghai Commercial & Savings Bank, Ltd. | CTS Travel International Ltd. | From parent company to subsidiary | Deposits and remittances | 5,019 | Note 4 | - |
| 0 | The Shanghai Commercial & Savings Bank, Ltd. | CTS Travel International Ltd. | From parent company to subsidiary | Interest expenses | 27 | Note 4 | - |
| 0 | The Shanghai Commercial & Savings Bank, Ltd. | Shancom Reconstruction AG | From parent company to subsidiary | Cash and cash equivalents | 352,581 | Note 4 | - |
| 0 | The Shanghai Commercial & Savings Bank, Ltd. | Shancom Reconstruction AG | From parent company to subsidiary | Due from the Central Bank and call loans to banks | 93,138 | Note 4 | - |

(Continued)

| No | Company Name | Counterparty | Nature of Relationship | Intercompany Transaction | | | |
|----|----------------------------------------------|----------------------------------------------|-----------------------------------|-------------------------------------------|-----------|--------|-----------------------------------------------------------------------|
| | | | | Financial Statement Item | Amount | Term | Percentage of Consolidated Total Gross Sales or Total Assets (Note 3) |
| 0 | The Shanghai Commercial & Savings Bank, Ltd. | Shancom Reconstruction AG | From parent company to subsidiary | Accounts payable | \$ 251 | Note 4 | - |
| 0 | The Shanghai Commercial & Savings Bank, Ltd. | Shancom Reconstruction AG | From parent company to subsidiary | Deposits and remittances | 75,221 | Note 4 | - |
| 0 | The Shanghai Commercial & Savings Bank, Ltd. | Shancom Reconstruction AG | From parent company to subsidiary | Interest expenses | 783 | Note 4 | - |
| 0 | The Shanghai Commercial & Savings Bank, Ltd. | AMK Microfinance Institution Plc. | From parent company to subsidiary | Discount and loans | 2,092,230 | Note 4 | 0.08% |
| 0 | The Shanghai Commercial & Savings Bank, Ltd. | AMK Microfinance Institution Plc. | From parent company to subsidiary | Interest revenue | 33,077 | Note 4 | - |
| 1 | SCSB Asset Management Ltd. | The Shanghai Commercial & Savings Bank, Ltd. | From subsidiary to parent company | Cash and cash equivalents | 9,476 | Note 4 | - |
| 1 | SCSB Asset Management Ltd. | The Shanghai Commercial & Savings Bank, Ltd. | From subsidiary to parent company | Accounts receivable | 49 | Note 4 | - |
| 1 | SCSB Asset Management Ltd. | The Shanghai Commercial & Savings Bank, Ltd. | From subsidiary to parent company | Other assets | 352 | Note 4 | - |
| 1 | SCSB Asset Management Ltd. | The Shanghai Commercial & Savings Bank, Ltd. | From subsidiary to parent company | Interest revenue | 52 | Note 4 | - |
| 1 | SCSB Asset Management Ltd. | The Shanghai Commercial & Savings Bank, Ltd. | From subsidiary to parent company | Other general and administrative expenses | 247 | Note 4 | - |
| 1 | SCSB Asset Management Ltd. | The Shanghai Commercial & Savings Bank, Ltd. | From subsidiary to parent company | Right-of-use assets | 2,219 | Note 4 | - |
| 1 | SCSB Asset Management Ltd. | The Shanghai Commercial & Savings Bank, Ltd. | From subsidiary to parent company | Lease liabilities | 2,231 | Note 4 | - |
| 1 | SCSB Asset Management Ltd. | Shancom Reconstruction AG | From subsidiary to subsidiary | Cash and cash equivalents | 2 | Note 4 | - |
| 2 | SCSB Marketing | The Shanghai Commercial & Savings Bank, Ltd. | From subsidiary to parent company | Cash and cash equivalents | 14,773 | Note 4 | - |
| 2 | SCSB Marketing | The Shanghai Commercial & Savings Bank, Ltd. | From subsidiary to parent company | Accounts receivable | 20 | Note 4 | - |
| 2 | SCSB Marketing | The Shanghai Commercial & Savings Bank, Ltd. | From subsidiary to parent company | Other assets | 20 | Note 4 | - |
| 2 | SCSB Marketing | The Shanghai Commercial & Savings Bank, Ltd. | From subsidiary to parent company | Interest revenue | 46 | Note 4 | - |
| 2 | SCSB Marketing | The Shanghai Commercial & Savings Bank, Ltd. | From subsidiary to parent company | Other general and administrative expenses | 20 | Note 4 | - |
| 2 | SCSB Marketing | The Shanghai Commercial & Savings Bank, Ltd. | From subsidiary to parent company | Right-of-use assets | 27 | Note 4 | - |
| 2 | SCSB Marketing | The Shanghai Commercial & Savings Bank, Ltd. | From subsidiary to parent company | Lease liabilities | 28 | Note 4 | - |
| 2 | SCSB Marketing | The Shanghai Commercial & Savings Bank, Ltd. | From subsidiary to parent company | Other non-interest income | 20,833 | Note 4 | - |
| 3 | China Travel Service (Taiwan) | The Shanghai Commercial & Savings Bank, Ltd. | From subsidiary to parent company | Accounts receivable | 560 | Note 4 | - |
| 3 | China Travel Service (Taiwan) | The Shanghai Commercial & Savings Bank, Ltd. | From subsidiary to parent company | Cash and cash equivalents | 164,049 | Note 4 | - |
| 3 | China Travel Service (Taiwan) | The Shanghai Commercial & Savings Bank, Ltd. | From subsidiary to parent company | Other assets | 189 | Note 4 | - |
| 3 | China Travel Service (Taiwan) | The Shanghai Commercial & Savings Bank, Ltd. | From subsidiary to parent company | Interest revenue | 630 | Note 4 | - |
| 3 | China Travel Service (Taiwan) | The Shanghai Commercial & Savings Bank, Ltd. | From subsidiary to parent company | Other general and administrative expenses | 180 | Note 4 | - |
| 3 | China Travel Service (Taiwan) | The Shanghai Commercial & Savings Bank, Ltd. | From subsidiary to parent company | Other non-interest income | 294 | Note 4 | - |
| 3 | China Travel Service (Taiwan) | Shancom Reconstruction AG | From subsidiary to subsidiary | Cash and cash equivalents | 111 | Note 4 | - |
| 3 | China Travel Service (Taiwan) | CTS Travel International Ltd. | From subsidiary to subsidiary | Other general and administrative expenses | 263 | Note 4 | - |

(Continued)

| No | Company Name | Counterparty | Nature of Relationship | Intercompany Transaction | | | |
|----|-----------------------------------|----------------------------------------------|-----------------------------------|---------------------------------------------------|-----------|--------|-----------------------------------------------------------------------|
| | | | | Financial Statement Item | Amount | Term | Percentage of Consolidated Total Gross Sales or Total Assets (Note 3) |
| 4 | CTS Travel International Ltd. | The Shanghai Commercial & Savings Bank, Ltd. | From subsidiary to parent company | Accounts receivable | \$ 25 | Note 4 | - |
| 4 | CTS Travel International Ltd. | The Shanghai Commercial & Savings Bank, Ltd. | From subsidiary to parent company | Cash and cash equivalents | 5,019 | Note 4 | - |
| 4 | CTS Travel International Ltd. | The Shanghai Commercial & Savings Bank, Ltd. | From subsidiary to parent company | Interest revenue | 27 | Note 4 | - |
| 4 | CTS Travel International Ltd. | China Travel Service (Taiwan) | From subsidiary to subsidiary | Service fee income | 200 | Note 4 | - |
| 4 | CTS Travel International Ltd. | China Travel Service (Taiwan) | From subsidiary to subsidiary | Other non-interest income | 63 | Note 4 | - |
| 5 | Shancom Reconstruction AG | The Shanghai Commercial & Savings Bank, Ltd. | From subsidiary to parent company | Due from the Central Bank and call loans to banks | 352,581 | Note 4 | - |
| 5 | Shancom Reconstruction AG | The Shanghai Commercial & Savings Bank, Ltd. | From subsidiary to parent company | Cash and cash equivalents | 75,221 | Note 4 | - |
| 5 | Shancom Reconstruction AG | The Shanghai Commercial & Savings Bank, Ltd. | From subsidiary to parent company | Accounts receivable | 251 | Note 4 | - |
| 5 | Shancom Reconstruction AG | The Shanghai Commercial & Savings Bank, Ltd. | From subsidiary to parent company | Cash and cash equivalents | 93,138 | Note 4 | - |
| 5 | Shancom Reconstruction AG | The Shanghai Commercial & Savings Bank, Ltd. | From subsidiary to parent company | Interest revenue | 783 | Note 4 | - |
| 5 | Shancom Reconstruction AG | SCSB Asset Management Ltd. | From subsidiary to subsidiary | Deposits and remittances | 2 | Note 4 | - |
| 5 | Shancom Reconstruction AG | China Travel Service (Taiwan) | From subsidiary to subsidiary | Deposits and remittances | 111 | Note 4 | - |
| 6 | AMK Microfinance Institution Plc. | The Shanghai Commercial & Savings Bank, Ltd. | From subsidiary to parent company | Call loans to banks | 2,092,230 | Note 4 | 0.08% |
| 6 | AMK Microfinance Institution Plc. | The Shanghai Commercial & Savings Bank, Ltd. | From subsidiary to parent company | Interest expenses | 33,077 | Note 4 | - |

(Concluded)

Note 1: The parent company and subsidiaries are indicated by the following numbers:

- (1) Parent company: 0.
- (2) Subsidiaries: 1 onward.

Note 2: The directional flow of the various transactions are indicated according to the following types:

- (1) Transactions from parent company to subsidiary.
- (2) Transactions from subsidiary to parent company.
- (3) Transactions from subsidiary to subsidiary.
- (4) Transactions from parent company to indirect subsidiary.
- (5) Transactions from indirect subsidiary to parent company.

Note 3: The percentages are recalculated by the consolidated total assets or the consolidated net sales. If the account belongs to the balance sheets, it will be based on the percentage of its final amount divided by the consolidated total assets. Otherwise, if the account belongs to the income statements, it will be based on the percentage of its average amount divided by the consolidated net revenue.

Note 4: All transactions with related parties were carried out at arm's length.

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(Amounts in Thousands of New Taiwan Dollars)

| Name of Major Shareholder / Shares | Number of Shares Held | Shareholding Ratio |
|---------------------------------------------------------------------------------------------------------|-----------------------|--------------------|
| Taishin International Bank in Custody for Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF | 288,043,590 | 5.92% |

- (1) The major shareholders listed in this table are based on the shareholding information as of the last business day of the most recent quarter, calculated based on the number of common shares and preferred shares (including treasury shares) held by shareholders reaching 5% or more of the company’s total issued shares, registered under book-entry transfer. The number of shares recorded in the company’s financial statements may differ from the actual registered number of shares due to differences in the basis of preparation, and discrepancies may therefore exist.
- (2) If the disclosed information involves shares held in trust, the shareholders will be disclosed individually based on segregated trust accounts established by the trustee. For shareholders who, pursuant to the Securities and Exchange Act, hold more than 10% of the company’s total issued shares through book-entry transfer—including those who have placed their shares in trust but retain decision –making rights over the trust property—please refer to the Market Observation Post System (MOPS) for insider shareholding disclosures.