

Stock code: 5876
Taiwan Stock Exchange

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

**Consolidated Financial Statements for the
Years Ended December 31, 2025 and 2024 and
Independent Auditors' Report**

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THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

REPRESENTATION LETTER

The entities that are required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2025 are all the same as those included in the consolidated financial statements of The Shanghai Commercial & Savings Bank, Ltd, and its subsidiaries prepared in conformity with the International Financial Reporting Standard 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates is included in the consolidated financial statements of The Shanghai Commercial & Savings Bank, Ltd. and its subsidiaries. Hence, we did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

By

Lee, Ching-Yen

Chairman

February 26, 2026

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

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

Opinion

We have audited the accompanying consolidated balance sheets of The Shanghai Commercial & Savings Bank, Ltd. (the "Bank") and its subsidiaries (collectively referred to as the "Group") as at December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matter for the Group's 2025 consolidated financial statements is stated as follows:

Allowance for credit losses of discounts and loans

Description

The core business of the Group is granting loans, which is significant to the accompanying consolidated financial statements for the current period. The impairment assessment of discounts and loans is conducted in accordance with International Financial Reporting Standards 9 ("IFRS 9") 'Financial instruments' and relevant regulations of allowances for credit losses promulgated by competent authorities. Management evaluates the impairment of discounts and loans using the expected credit loss model, with assumptions made based on past events, current market conditions and forward-looking information, to assess whether there is significant increase of credit risk since initial recognition to measure allowance of credit losses. In addition, credit losses for credit-impaired loans are evaluated based on recoverable amounts. Please refer to Notes 4, 5, 14 and 40 of the consolidated financial statements for relevant information on impairment of discounts and loans. The evaluation of allowance for credit losses of discounts and loans involves significant judgments such as accounting estimates and management's assumptions, and shall comply with relevant regulations and interpretations. The measurement results would impact the amount recognized directly. Thus, we have determined the allowance of credit losses of discounts and loans as the key audit matter.

How our audit addressed the matter

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

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

Other matter – Parent company only financial report

We have audited and expressed an unmodified opinion on the parent company only financial statements of the Bank as at and for the years ended December 31, 2025 and 2024.

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

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

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

Puo-Ju Kuo Wei-Tai Wu
For and on behalf of PricewaterhouseCoopers, Taiwan
February 26, 2026

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 the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. 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 the Republic of China, 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

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

Codes	ASSETS	NOTES	December 31, 2025		December 31, 2024	
			Amount	%	Amount	%
11000	Cash and cash equivalents	6	\$ 28,603,224	1	\$ 38,522,816	2
11500	Due from the Central Bank and call loans to banks	7	418,484,106	17	432,246,360	17
12000	Financial assets measured at fair value through profit or loss	8	4,432,307	-	5,569,510	-
12100	Financial assets measured at fair value through other comprehensive income	9 and 11	521,796,038	22	475,245,104	19
12200	Investments in debt instruments measured at amortized cost	10 and 11	172,989,283	7	235,146,758	10
12500	Securities purchased under resell agreements	12	32,181,654	1	8,408,560	-
13000	Receivables, net	13	23,212,672	1	24,748,669	1
13200	Current income tax assets	34	1,073,339	-	185,113	-
13300	Assets held for sale, net	16	-	-	1,039,030	-
13500	Discounts and loans, net	14	1,185,067,076	49	1,221,016,517	49
15000	Investments under the equity method, net	16	1,645,086	-	1,559,287	-
15500	Other financial assets, net	17	5,526	-	1,872	-
18500	Properties, net	18	23,683,061	1	24,190,840	1
18600	Right-of-use assets, net	19	1,483,560	-	1,854,237	-
18700	Investment properties, net	20	5,322,131	-	7,978,542	-
19000	Intangible assets, net	21	2,084,443	-	2,194,494	-
19300	Deferred income tax assets	34	6,245,843	-	4,936,259	-
19500	Other assets, net	22	12,335,957	1	11,218,943	1
10000	Total assets		<u>\$ 2,440,645,306</u>	<u>100</u>	<u>\$ 2,496,062,911</u>	<u>100</u>
Codes	LIABILITIES AND EQUITY					
21000	Deposits from the central bank and other banks	23	\$ 34,339,600	2	\$ 44,597,026	2
22000	Financial liabilities measured at fair value through profit or loss	8	6,132,148	-	5,825,908	-
22500	Securities sold under repurchase agreements	24	7,192,305	-	4,783,153	-
23000	Payables	25	36,633,175	2	36,432,169	2
23200	Current income tax liabilities	34	727,921	-	956,186	-
23500	Deposits and remittances	26	1,982,543,567	81	2,046,220,040	82
24000	Bank debentures	27	65,275,649	3	59,591,987	2
25500	Other financial liabilities	28	13,866,786	1	9,981,110	1
25600	Provisions	29	3,451,936	-	3,242,924	-
26000	Lease liabilities	19	1,508,848	-	1,878,459	-
29300	Deferred income tax liabilities	34	9,714,811	-	9,973,427	-
29500	Other liabilities	30	3,927,586	-	5,695,512	-
20000	Total liabilities		<u>2,165,314,332</u>	<u>89</u>	<u>2,229,177,901</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
31500	Capital surplus		27,867,109	1	27,705,927	1
	Retained earnings					
32001	Legal reserve		68,680,295	3	64,476,033	3
32003	Special reserve		7,669,374	-	7,669,374	-
32005	Unappropriated earnings		39,968,320	2	39,833,861	2
	Total retained earnings		<u>116,317,989</u>	<u>5</u>	<u>111,979,268</u>	<u>5</u>
32500	Other equity		12,200,638	-	9,710,581	-
32600	Treasury shares		(83,144)	-	(83,144)	-
	Total equity attributable to owners of the Bank		204,918,623	-	197,928,663	-
38000	Non-controlling interests		70,412,351	3	68,956,347	3
30000	Total equity		<u>275,330,974</u>	<u>11</u>	<u>266,885,010</u>	<u>11</u>
	Total liabilities and equity		<u>\$ 2,440,645,306</u>	<u>100</u>	<u>\$ 2,496,062,911</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 Year Ended December 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars, except Earnings Per Share)

Codes	Items	Notes	For the Year Ended December 31				Change
			2025		2024		
			Amount	%	Amount	%	
41000	Interest income		\$ 75,625,192	142	\$ 85,500,720	166	(12)
51000	Interest expenses		(38,826,851)	(73)	(46,794,868)	(91)	(17)
49010	Net interest income	33	<u>36,798,341</u>	<u>69</u>	<u>38,705,852</u>	<u>75</u>	(5)
	Non-interest income						
49100	Service fee income, net	33	8,158,776	15	6,791,281	13	20
49200	Gain (Loss) on financial assets and liabilities measured at fair value through profit or loss	33	742,338	1	(2,699,718)	(5)	(127)
49310	Realized gain on financial assets measured at fair value through other comprehensive income	33	3,575,907	7	4,194,242	8	(15)
49410	Gain on financial assets measured at amortized cost		68,116	-	79,286	-	(14)
49600	Foreign exchange gain, net		1,618,176	3	3,723,482	7	(57)
49700	Impairment loss on assets	11	(10,563)	-	(70,411)	-	(85)
49750	Proportionate share of profit of associates under the equity method	16	283,974	1	322,213	1	(12)
49800	Other non-interest income, net	33	669,469	1	357,748	1	87
49815	Gain on investment properties		<u>1,399,796</u>	<u>3</u>	<u>-</u>	<u>-</u>	-
	Total non-interest income		<u>16,505,989</u>	<u>31</u>	<u>12,698,123</u>	<u>25</u>	30
4xxxx	Consolidated net revenue		<u>53,304,330</u>	<u>100</u>	<u>51,403,975</u>	<u>100</u>	4
58200	Provisions for bad-debt expense, commitment and guarantee liability	14	(14,128,485)	(26)	(15,177,363)	(29)	(7)
	Operating expenses						
58500	Employee benefits	33	(12,339,779)	(23)	(11,549,980)	(23)	7
59000	Depreciation and amortization	33	(1,998,437)	(4)	(1,947,125)	(4)	3
59500	Other general and administrative	33	(6,319,587)	(12)	(5,801,849)	(11)	9
58400	Total operating expenses		(20,657,803)	(39)	(19,298,954)	(38)	7
61001	Profit before income tax		18,518,042	35	16,927,658	33	9
61003	Income tax expense	34	(1,598,482)	(3)	(2,488,350)	(5)	(36)
64000	Consolidated net income		<u>\$ 16,919,560</u>	<u>32</u>	<u>\$ 14,439,308</u>	<u>28</u>	17
	Other comprehensive income (loss)						
	Items that will not be reclassified subsequently to profit or loss:						
65201	Defined benefit plan remeasurements		(\$ 45,482)	-	(\$ 18,562)	-	145
65203	Loss on hedging instruments		(57,302)	-	-	-	-
65204	Gain on investments in equity instruments measured at fair value through other comprehensive income	9	1,042,903	2	6,170,929	12	(83)
65205	Financial liabilities designated at FVTPL which the amount of change derived from credit risk	8	278	-	3,132	-	(91)
65206	Proportionate share of other comprehensive income of associates under the equity method	16	5,829	-	38,746	-	(85)
65220	Income tax relating to items that will not be reclassified subsequently to profit or loss	34	(71,112)	-	16,432	-	(533)
	Items that may be reclassified subsequently to profit or loss:						
65301	Exchange differences on translating foreign operations		(7,657,628)	(15)	11,268,972	22	(168)
65306	Share of the other comprehensive income of associates accounted for using the equity method	16	-	-	157,191	-	(100)
65309	Gain on debt instruments measured at fair value through other comprehensive income	9	6,912,480	13	1,452,624	3	376
65310	Loss allowance for debt instruments measured at fair value through other comprehensive income	11	10,135	-	(19,737)	-	(151)
65320	Income tax relating to items that may be reclassified subsequently to profit or loss	34	(21,609)	-	(1,625,035)	(3)	(96)
65000	Other comprehensive income for the period, net of income tax		<u>\$ 118,492</u>	<u>-</u>	<u>\$ 17,444,692</u>	<u>34</u>	(99)
66000	Total comprehensive income for the period		<u>\$ 17,038,052</u>	<u>32</u>	<u>\$ 31,884,000</u>	<u>62</u>	(47)
	Net profit attributable to:						
67101	Owners of the Bank		\$ 14,827,654	28	\$ 13,478,483	26	10
67111	Non-controlling interests		<u>2,091,906</u>	<u>4</u>	<u>960,825</u>	<u>2</u>	118
67100			<u>\$ 16,919,560</u>	<u>32</u>	<u>\$ 14,439,308</u>	<u>28</u>	17
	Total comprehensive income attributable to:						
67301	Owners of the Bank		\$ 15,579,664	29	\$ 23,205,023	45	(33)
67311	Non-controlling interests		<u>1,458,388</u>	<u>3</u>	<u>8,678,977</u>	<u>17</u>	(83)
67300			<u>\$ 17,038,052</u>	<u>32</u>	<u>\$ 31,884,000</u>	<u>62</u>	(47)
	Earnings per share	35					
67500	Basic		<u>\$ 3.06</u>		<u>\$ 2.78</u>		
67700	Diluted		<u>\$ 3.06</u>		<u>\$ 2.78</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 Year Ended December 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

		Equity Attributable to Owners of the Bank													
		Share Capital		Retained Earnings				Other Equity					Total Equity Attributable to Owners of the Bank	Non-controlling Interests	Total Equity
Codes		Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Change in Financial Assets at FVTOCI	Loss on Hedging Instruments	Change in Credit Risk From Financial Liabilities Designated at FVTPL	Treasury Shares				
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 year ended December 31, 2024	-	-	-	-	13,478,483	-	-	-	-	-	13,478,483	960,825	14,439,308	
D3	Other comprehensive income (loss) for the year ended December 31, 2024, net of income	-	-	-	-	(18,241)	5,392,604	4,349,045	-	3,132	-	9,726,540	7,718,152	17,444,692	
D5	Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	13,460,242	5,392,604	4,349,045	-	3,132	-	23,205,023	8,678,977	31,884,000	
	Appropriation of 2023 earnings														
B3	Special reserve	-	-	-	(5,583,505)	5,583,505	-	-	-	-	-	-	-	-	
B5	Cash dividends	-	-	-	-	(8,750,886)	-	-	-	-	-	(8,750,886)	-	(8,750,886)	
C7	Changes in capital surplus from investments in associates under the equity method	-	9,480	-	-	-	-	-	-	-	-	9,480	-	9,480	
C17	Unclaimed dividends	-	148,002	-	-	-	-	-	-	-	-	148,002	-	148,002	
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	553,965	-	(553,965)	-	-	-	-	-	-	
O1	Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(1,982)	(1,982)	
Z1	Balance on December 31, 2024	\$ 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	
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 year ended December 31, 2025	-	-	-	-	14,827,654	-	-	-	-	-	14,827,654	2,091,906	16,919,560	
D3	Other comprehensive income (loss) for the year ended December 31, 2025, net of income	-	-	-	-	(34,951)	(3,666,783)	4,486,342	(32,876)	278	-	752,010	(633,518)	118,492	
D5	Total comprehensive income for the year ended December 31, 2025	-	-	-	-	14,792,703	(3,666,783)	4,486,342	(32,876)	278	-	15,579,664	1,458,388	17,038,052	
	Appropriation of 2024 earnings														
B1	Legal reserve	-	-	4,204,262	-	(4,204,262)	-	-	-	-	-	-	-	-	
B5	Cash dividends	-	-	-	-	(8,750,886)	-	-	-	-	-	(8,750,886)	-	(8,750,886)	
C7	Changes in capital surplus from investments in associates under the equity method	-	9,480	-	-	-	-	-	-	-	-	9,480	-	9,480	
C17	Unclaimed dividends	-	151,702	-	-	-	-	-	-	-	-	151,702	-	151,702	
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	(1,703,096)	-	1,703,096	-	-	-	-	-	-	
O1	Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(2,384)	(2,384)	
Z1	Balance on December 31, 2025	\$ 48,616,031	\$ 27,867,109	\$ 68,680,295	\$ 7,669,374	\$ 39,968,320	\$ 1,304,126	\$ 10,930,125	(\$ 32,876)	(\$ 737)	(\$ 83,144)	\$ 204,918,623	\$ 70,412,351	\$ 275,330,974	

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 Year Ended December 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

<u>Codes</u>	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
	Cash flows from operating activities	
A00010	\$ 18,518,042	\$ 16,927,658
A20010	Adjustments to reconcile net profit to net cash provided by operating activities	
A20100	1,634,071	1,591,901
A20200	364,366	355,224
A20300	14,128,485	15,177,363
A20400	(450,948)	769,637
A20900	38,826,851	46,794,868
A21200	(75,625,192)	(85,500,720)
A21300	(3,701,484)	(3,812,816)
A22300	(283,974)	(322,213)
A22500	96,495	(116,841)
A22700	(1,399,796)	-
A23000	(194,562)	-
A23600	10,563	(28,434)
A29900	590,984	143,241
A40000	Changes in operating assets and liabilities	
A41110	(44,790,608)	(14,083,494)
A41120	1,320,702	1,363,106
A41123	(45,891,513)	(64,989,429)
A41125	61,593,207	35,919,195
A41150	(621,479)	(2,646,238)
A41160	12,091,715	16,286,202
A41190	(4,090)	1,873
A41990	(1,464,863)	3,616,232
A42110	(9,929,882)	2,759,258
A42120	532,384	(316,221)
A42140	2,409,152	4,191,864
A42150	2,170,456	(1,441,142)
A42160	(34,789,649)	13,631,690
A42170	3,885,675	2,440,956
A42180	178,167	255,950
A42990	120,630	345,652
A33000	(60,676,095)	(10,685,678)
A33100	72,649,916	84,085,952
A33200	3,701,484	3,885,138
A33300	(40,224,881)	(47,532,079)
A33500	(4,600,428)	(6,227,570)
AAAA	(29,150,004)	23,525,763

(Continued)

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

Codes	For the Year Ended December 31	
	2025	2024
	Cash flows from investing activities	
B02600	\$ 1,178,271	\$ -
B02700	(847,457)	(1,400,173)
B02800	3,850	169,282
B04500	(329,599)	(344,920)
B05400	(656,243)	(198,691)
B05500	4,505,929	-
B09900	-	1,861,951
BBBB	<u>3,854,751</u>	<u>87,449</u>
	Cash flows from financing activities	
C01400	10,950,000	6,550,000
C01500	(4,800,000)	(25,847,079)
C04020	(881,701)	(892,958)
C04500	(8,741,406)	(8,741,406)
C05800	(2,384)	(1,982)
CCCC	<u>(3,475,491)</u>	<u>(28,933,425)</u>
DDDD	<u>(13,606,823)</u>	<u>18,328,238</u>
EEEE	(42,377,567)	13,008,025
E00100	<u>369,412,598</u>	<u>356,404,573</u>
E00200	<u>\$ 327,035,031</u>	<u>\$ 369,412,598</u>
	Composition of cash and cash equivalents	
E00210	\$ 28,603,224	\$ 38,522,816
E00220	266,250,153	322,481,222
E00230	<u>32,181,654</u>	<u>8,408,560</u>
E00200	<u>\$ 327,035,031</u>	<u>\$ 369,412,598</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 Year Ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Stated)

1. ORGANIZATION AND OPERATIONS

The Shanghai Commercial & Savings Bank (the “Bank”) is incorporated in Taiwan and engages in the commercial banking businesses under related laws and regulations. The shares of the Bank have been 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 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 February 26, 2026, the financial statements were approved by the board of directors and issued afterward.

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

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

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

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

The 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 from 2026 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
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Initial application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
Annual improvements to IFRS Accounting Standards — Volume 11	January 1, 2026

As of the date the consolidated financial statements were authorized for issue, the 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.

3.2.1 Specific provisions of Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'

- (1) Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion, covering contractual terms that can change cash flows based on contingent events (for example, interest rates linked to ESG targets), non-recourse features and contractually-linked instruments.
- (2) Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets), including a qualitative description of the nature of the contingent event, quantitative information about the possible changes to contractual cash flows that could result from those contractual terms and the gross carrying amount of financial assets and amortised cost of financial liabilities subject to these contractual terms.
- (3) Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception relating to the derecognition of a financial liability (or part of a financial liability) settled through an electronic cash transfer system. Applying the exception, an entity is permitted to derecognise a financial liability at an earlier date if, and only if, the entity has initiated a payment instruction and specific conditions are met.

The conditions for the exception are that the entity making the payment does not have:

- A. the practical ability to withdraw, stop or cancel the payment instruction;
 - B. the practical ability to access the cash used for settlement; and
 - C. significant settlement risk.
- (4) Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The entity shall disclose the fair value of each class of investment and is no longer required to disclose the fair value of each investment. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognised during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period; and any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period.

3.2.2 IFRS 17, 'Insurance contracts'

IFRS 17 'Insurance contracts' replaces IFRS 4 and establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. The standard applies to insurance contracts (including reinsurance contracts) issued, to reinsurance contracts held and to investment contracts with discretionary participation features issued, provided the entity also issues insurance contracts. Embedded derivatives, distinct investment components and distinct performance obligations shall be separated from the insurance contracts. An entity shall, at initial recognition, disaggregate a portfolio into three groups of contracts: onerous, no significant risk of becoming onerous, and remaining contracts. IFRS 17 requires a current measurement model, where estimates are remeasured in each reporting period. The measurement is based on the building blocks of discounted, probability-weighted cash flows, a risk adjustment and a contractual service margin ('CSM') representing the unearned profit of the contract. An entity may apply a modified simplified measurement approach (the premium allocation approach) to some

insurance contracts. An entity recognises the profit from a group of insurance contracts over the period the entity provides insurance coverage, and as the entity is released from risk.

In accordance with the effective date and transitional provisions of IFRS 17, the Group's financial statements for the comparative period of 2025 will be retrospectively restated in accordance with IFRS 17. Adoption of IFRS 17 will increase the Group's restated equity attributable to owners of the parent company by approximately 0.1%, amounting to approximately \$260 million. The preparation of the comparative data for the 2025 fiscal year in accordance with IFRS 17 is proceeding as scheduled.

3.2.3 Amendments to IFRS 17, 'Insurance contracts'

The amendments to IFRS 17 include the deferral of effective date, expected recovery of insurance acquisition cash flows, contractual service margin attributable to investment services, reinsurance contracts held – recovery of losses and other amendments, and they are not intended to change the fundamental principles of the standard.

3.2.4 Contracts" Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'

The amendment permits an entity to apply an optional classification overlay in the comparative period(s) presented on initial application of IFRS 17. The overlay allows all financial assets, including those held in respect of activities not connected to contracts within the scope of IFRS 17, to be classified, on an instrument-by-instrument basis, in the comparative period(s) in a way that aligns with how the entity expects those assets to be classified on initial application of IFRS 9. The overlay can be applied by entities that have already applied IFRS 9 or will apply it when they apply IFRS 17.

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 IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
Amendments to IFRS 18 "The presentation and disclosure of financial statements"	January 1, 2027(Note)
Amendments to IFRS 19 "The subsidiaries without public accountability: disclosures"	January 1, 2027

Note :The Financial Supervisory Commission (FSC) announced in a press release on September 25, 2025, that publicly listed companies will apply International Financial Reporting Standard 18 (IFRS 18) starting in fiscal year 2028. Companies wishing to adopt IFRS 18 earlier may opt to do so after the FSC approves IFRS 18.

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

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks and IFRSs as endorsed and issued into effect by the FSC.

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 Classification of Current and Non-current Assets and Liabilities

Since the operating cycle in the banking industry cannot be reasonably identified, accounts included in the Group's consolidated financial statements are not classified as current or non-current. Nevertheless, these accounts are properly categorized according to the nature of each account and sequenced by liquidity.

4.4 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-group 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.

4.5 Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquirer's previously held equity interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

4.6 Foreign Currencies

In preparing the financial statements of each individual entity in the Group, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including of the associates or branches in other countries or currencies used are different from the currency of the Bank) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income (attributed to the owners of the Bank and non-controlling interests as appropriate).

4.7 Financial Instruments

Financial assets and financial liabilities are recognized in the consolidated balance sheets when the Group becomes one of the parties of the contract.

For financial assets and financial liabilities other than financial assets or financial liabilities at fair value through profit or loss (FVTPL), the fair value is directly attributable to the transaction costs of acquiring or issuing financial assets or financial liabilities. Transaction costs directly attributable to the acquisition or issue of financial assets or financial liabilities at FVTPL are recognized as current expenses.

4.7.1 Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

(1) Measurement

The Group owns financial assets which are classified into the following specified categories: Financial assets at FVTPL, financial assets at amortized cost, investments in debt instruments at fair value through other comprehensive income (FVTOCI) and investments in equity instruments at FVTOCI.

A. Financial assets at FVTPL

A financial asset is classified as at FVTPL when the financial asset is mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on re-measurement (excluding any dividends or interest arising from such financial assets) recognized in profit or loss. Fair value is determined in the manner described in Note 40.

B. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- a. The financial asset is held within a business model whose objective is to hold financial

assets in order to collect contractual cash flows; and

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

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, accounts receivable at amortized cost and others, are measured at amortized cost, which equals to gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

- a. Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such a financial asset; and
- b. Financial assets that have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such a financial asset.

Cash equivalents include accounts due from the Central Bank that are highly liquid, convertible into fixed cash at any time, and have a low-risk of value changes within three months from the date of acquisition, which are used to meet short-term cash commitments.

C. Investments in debt instruments at FVTOCI

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

- a. The financial asset is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of the financial assets; and
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

D. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

(2) Impairment of financial assets

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

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

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

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

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

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

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

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

(3) Derecognition of financial assets

When the contractual rights from the cash flows of financial assets have lapsed or the financial assets and all the risks and rewards of the assets have been transferred to other enterprises, the financial assets are derecognized.

When a financial asset is totally derecognized, the difference between the carrying amount and the sum of any accumulated gain or loss recognized in other comprehensive income is recognized as profit or loss.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognize and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part that is no longer recognized is treated in the same way as when the financial asset is derecognized in entirety. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

4.7.2 Equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Group's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Group's own equity instruments.

4.7.3 Financial liabilities

(1) Subsequent measurement

All financial liabilities are measured at amortized cost using effective interest rate, except for the following situations:

A. Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when such financial liabilities are either held for trading or designated as at FVTPL.

Financial liabilities held for trading are stated at fair value, with any gain or loss arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any interest or dividends paid on such financial liability.

A financial liability may be designated as at FVTPL upon initial recognition when doing so results in more relevant information and if:

- a. Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- b. The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and has performance evaluated on a fair value basis, in

accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- c. The contract contains one or more embedded derivatives so that the entire combined contract (asset or liability) can be designated as at FVTPL.

For a financial liability designated as at FVTPL, the amount of changes in fair value attributable to changes in the credit risk of the liability is presented in other comprehensive income and will not be subsequently reclassified to profit or loss. The remaining amount of changes in the fair value of that liability which does not incorporate any interest or dividends paid on such financial liability is presented in profit or loss. The gain or loss accumulated in other comprehensive income will be transferred to retained earnings when the financial liability is derecognized. If this accounting treatment related to credit risk would create or enlarge an accounting mismatch, all changes in the fair value of the liability are presented in profit or loss.

Fair value is determined in the manner described in Note 40.

B. Financial guarantee contracts

The financial guarantee contracts issued by the Group and not measured at FVTPL are measured at the higher of the allowance for the expected credit losses and the amortized amount after initial recognition.

(2) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

4.7.4 Derivatives

Derivatives signed by the Group include forward foreign exchange contracts, interest rate swaps and others to manage the Group's interest rate and exchange rate risk.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument; in which event, the timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts that are within the scope of IFRS 9 "Financial Instruments" are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets that is within the scope of IFRS 9 (e.g. those embedded in the principal contract of financial liabilities) are treated as separate derivatives when they meet the definition of a derivative; their risks and characteristics are not closely related to those of the host contracts; and the host contracts are not measured at FVTPL.

4.8 Investment in Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The Group applies equity method to account for investments in associates.

The results and assets and liabilities of associates are incorporated in these consolidated financial

statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of equity of associates attributable to the Group.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Group subscribes for additional new shares of the associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Group's ownership interest is reduced due to the additional subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for by the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate equals or exceeds its interest in that associate, including any carrying amount of the investment accounted for by the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate, the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is deducted from investment and the carrying amount of investment is net of impairment loss. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

4.9 Non-performing Loans

Under the guidelines of "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans", the balance of loans and other credits extended by the Bank and the related accrued interest thereon are classified as non-performing.

Non-performing loans in the lending business are classified as discounts and loans; otherwise, are classified as other financial assets.

4.10 Securities Purchased/Sold Under Resale/Repurchase Agreements

Securities purchased under resale agreements and securities sold under repurchase agreements are generally treated as collateralized financing transactions. Interest earned on resale agreements or interest incurred on repurchase agreements is recognized as interest income or interest expense over the life of each agreement.

4.11 Properties and Equipment

Properties and equipment are stated at cost, less recognized accumulated depreciation.

Depreciation is provided on a straight-line basis over estimated useful lives and the critical components are identified and depreciated separately. Depreciation expense of the land and

buildings held by SCB (HK) is depreciated using the straight-line method over the useful lives under 40 years. Other equipment is computed using the straight-line method within the durability of 4 to 10 years. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period by the Group. Change in accounting estimates takes effect retrospectively.

Any gain or loss on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

4.12 Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation. Depreciation is recognized using the straight-line method.

Any gain or loss on the disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

4.13 Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

4.14 Intangible Assets

4.14.1 Acquisition as separate asset

Intangible assets that have finite useful lives and are acquired separately are carried at cost less accumulated amortization. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful lives, residual value, and amortization method are reviewed at the end of each reporting period. The residual value of an intangible asset with a finite useful life is assumed to be zero unless the Group expects to dispose of the intangible asset before the end of its economic life. Change in accounting estimate takes effect prospectively.

4.14.2 Acquisition by business combination

The intangible assets acquired from business combination are recognized at the fair value on the acquisition date and are recognized separately from goodwill. Subsequent

measurement is the same as intangible assets acquired separately.

4.15.3 Derecognition

Any gain or loss on the disposal or retirement of an item of intangible assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

4.15 Impairment of Property and Equipment, Right-of-Use Assets, Intangible Assets Other Than Goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property and equipment, right-of-use assets and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

4.16 Collaterals Assumed

Collaterals assumed are recorded at their appraised values. At balance sheet date, these collaterals are individually revalued at the lower of cost or net realizable value.

4.17 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

4.18 Revenue Recognition

Interest revenue from loans is estimated on accrual basis. Interest revenue from non-performing Bank-extended loans and other credits are recognized only when collection is made. In accordance with the Ministry of Finance regulations, the interest from the relief and extension of specific loans is recorded as deferred income and recognized as income upon collection. Service fees are recorded as income upon receipt or when the related services are substantially completed.

The costs of acquisition of loans and accounts receivable and extra fees received are accounted for as adjustments to the book value and the effective interest of loans and accounts receivable.

Dividend revenue is recognized when the right of shareholder to receive dividend is established. The premise is that the economic benefits associated with the transaction are likely to flow into the Group and the amount of revenue can be reliably measured.

4.19 Leasing

The Group assesses whether the contract is (or includes) a lease on the contract date. For contracts that include the lease and non-lease components, the Group distributes the consideration in the contract on a relatively separate price basis and deals with them separately.

4.19.1 The Group as lessor

When the lease terms transfer almost all the risks and rewards attached to the ownership of the assets to the lessee, the leases are classified as finance leases. All other leases are classified as operating leases.

Under finance leases, lease payments include fixed payments, substantially fixed payments, variable lease payments which depend on an index or a rate, guaranteed residual values, and the exercise price of the purchase option that is reasonably certain to be exercised, and the rental termination penalties reflected in the lease term, less the incentives for the lease to be paid. The net amount of the lease investment is measured as the sum of the present value of both the lease receivable and the unguaranteed residual value plus the original direct costs and expressed as a finance lease receivable. The financing income is apportioned to each accounting period so as to reflect a periodic fixed rate of return that the Group's unexpired net lease investment is available for each period.

Under operating leases, the lease payments deducted from the lease incentives are recognized as income on a straight-line basis over the relevant lease periods. The original direct costs incurred in obtaining the operating leases are added to the carrying amount of the underlying assets and recognized as an expense on a straight-line basis over the lease terms.

4.19.2 The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight line basis over the lease terms. Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and adjusted for any remeasurement of the lease liabilities.

Right-of-use assets are depreciated using the straight-line method from the commencement dates of the lease to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, substantially fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest

method, with interest expense recognized over the lease terms. When there is a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use asset has been reduced to zero, the remaining amount of remeasurement is recognized in profit or loss. Lease liabilities are presented separately in the consolidated balance sheets.

4.20 Employee Benefits

4.20.1 Short-term employee benefits

Liabilities related to short-term employee benefits are measured and recognized at the undiscounted amount expected to be paid to employees for their services.

4.20.2 Retirement benefit costs

The Group currently has both defined contribution and defined benefit retirement plans for its employees. Pursuant to local rules, employees working overseas are enrolled in defined contribution retirement benefit plan.

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

4.20.3 Employee preferential deposits

The Group provides current and retired employees preferential interests rates for deposits under certain balances. Differences between preferential rate and interest at market rate are recognized as employee benefits.

Under rule No. 30 of the Regulations Governing the Preparation of Financial Reports by Public Banks, post-retirement preferential interests provided to retired employees should be measured and recognized using actuarial calculation pursuant to IAS No. 19 if variables for use in the actuarial assumptions are stipulated in official governing rules, then the rules should be applied first.

4.20.4 Other long-term employee benefits

Current employees who are eligible for retirement will be given a pension according to the retirement plan. If employees do not have the qualification to retire, (a) the pension will be issued for one month if the service lasts less than one year; (b) if the service lasts more than one year and less than five years, they will receive pension for one month for serving each full year; (c) if the service lasts for more than five years, the pension is calculated according to the actuarial calculation method. However, the calculation method is only

applicable to the service that existed before the application of the new system.

4.21 Share-based payment arrangements

The fair value at the acquisition date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share option. It is recognized as an expense in full at the grant date if vested immediately. The Group apply for cash capital increase to reserve employee subscriptions, and the acquisition date based on the day when the number of shares subscribed by employees is confirmed

4.22 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

4.22.1 Current tax

The Group determines the current income (loss) in accordance with the laws and regulations established by each jurisdiction of income tax declaration., and calculates the payable (recoverable) income tax.

According to the Taiwan Income Tax Law, an additional tax on unappropriated earnings is recognized in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current period's income tax expenses.

4.22.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized on all taxable temporary differences. Deferred tax assets are recognized on deductible temporary difference and loss carry forwards provided that taxable income will be available for use in deducting the benefits of the temporary differences probably.

Deferred tax liabilities are recognized on taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to use the benefits of the temporary differences and are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting

period, to recover or settle the carrying amount of its assets and liabilities.

4.22.3 Current tax and deferred tax of the period

Current tax and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current tax and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

4.23 Assets held for sale

The carrying amounts of assets held for sale are mainly recovered through sales transactions rather than continued use. And it is highly likely to be sold, measured at the lower of its carrying amount and fair value less cost of sale.

4.24 Operation department

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is an individual or a team, who is responsible for allocating resources and assessing performance of the operating segments. The Group's chief operating decision maker has been identified as the Board of Directors.

4.25 Hedge Accounting

4.25.1 At the inception of a hedging relationship, there is formal designation and documentation of the hedging relationship and the Group's risk management objective and strategy for undertaking the hedge. That documentation shall include identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements.

4.25.2 The hedging relationship designated by the Group as a fair value hedge is a hedge of the exposure to changes in fair value of a recognised asset.

4.25.3 Fair Value Hedges

- A When the gain or loss is recognised in other comprehensive income if the hedging instrument hedges an equity instrument for which the Group has elected to present changes in fair value in other comprehensive income.
- B When the hedged item is an equity instrument for which the Group has elected to present changes in fair value in other comprehensive income, those amounts shall remain in other comprehensive income.

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 on 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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash in hand and working fund	\$ 11,429,488	\$ 15,998,156
Checks for clearing	635,624	620,323
Due from other banks	<u>16,538,112</u>	<u>21,904,337</u>
	<u>\$ 28,603,224</u>	<u>\$ 38,522,816</u>

The Group assessed 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 were recognized based on the 12-month expected credit losses. On December 31, 2025 and 2024, cash and cash equivalents recognized as allowances were in the amounts of \$109 thousand and \$160 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>December 31, 2025</u>	<u>December 31, 2024</u>
Call loans to banks	\$ 356,589,691	\$ 370,595,554
Deposit reserves - II	34,694,936	34,556,139
Deposit reserves - I	20,874,343	16,291,208
Due from foreign central banks	6,118,222	10,590,836
Deposit reserves - foreign currency	<u>206,914</u>	<u>212,623</u>
	<u>\$ 418,484,106</u>	<u>\$ 432,246,360</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 assessed 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 was recognized based on 12-month expected credit losses. On December 31, 2025 and 2024, the allowances recognized for the dues from the Central Bank and call loans to banks were in the amounts of \$6,050 thousand and \$8,194 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)

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Financial assets measured at FVTPL		
Financial assets mandatorily classified as at FVTPL		
Forward contracts	\$ 1,423,071	\$ 2,403,365
Option contracts	1,281,047	508,532
Futures	515,931	543,385
Bank debentures	417,728	1,179,335
Interest rate swap contracts	336,600	39,282
Currency swap contracts	248,983	525,722
Shares	208,947	213,166
Corporate bonds	-	156,723
	<u>\$ 4,432,307</u>	<u>\$ 5,569,510</u>
Financial liabilities measured at FVTPL		
Held-for-trading financial liabilities		
Forward contracts	\$ 1,413,454	\$ 2,313,113
Option contracts	1,283,646	519,474
Currency swap contracts	889,108	90,412
Interest rate swap contracts	722,144	464,829
Futures	-	17
	<u>4,308,352</u>	<u>3,387,845</u>
Financial liabilities designated at FVTPL		
Bank debentures	1,823,796	2,438,063
	<u>\$ 6,132,148</u>	<u>\$ 5,825,908</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:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Option contracts	\$ 440,345,585	\$ 153,727,240
Forward contracts	373,438,550	405,576,093
Currency swap contracts	105,507,373	62,208,862
Interest rate swap contracts	34,919,144	12,028,742
Future contracts	102,983	33,729

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
The difference between the fair value and the maturity		
– Fair value	\$ 1,823,796	\$ 2,438,063
– Maturity value	<u>1,823,305</u>	<u>2,431,170</u>
	<u>\$ 491</u>	<u>\$ 6,893</u>
		<u>Effects of changes in credit risk</u>
Current amount of change		
For the Year Ended December 31, 2025		<u>\$ 278</u>
For the Year Ended December 31, 2024		<u>\$ 3,132</u>
Cumulative amount of change		
Up to December 31, 2025		<u>(\$ 737)</u>
Up to December 31, 2024		<u>(\$ 1,015)</u>

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.

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Investments in equity instruments measured at FVTOCI		
Shares	\$ 46,941,521	\$ 51,404,856
Investments in debt instruments measured at FVTOCI		
Bank debentures	224,003,698	179,222,413
Corporate bonds	153,901,961	155,381,577
Government bonds	84,275,427	80,583,100
Commercial papers	10,165,299	7,469,697
Asset-backed securities	2,508,132	1,183,461
	<u>474,854,517</u>	<u>423,840,248</u>
	<u>\$ 521,796,038</u>	<u>\$ 475,245,104</u>

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 December 31, 2025 and 2024. The par values of bonds and commercial papers sold under repurchase agreements were \$7,416,095 thousand and \$4,778,000 thousand, respectively.

The Group disposed of FVTOCI - equity instruments to adjust its investment portfolio. The fair value of the equity instruments disposed were \$55,928,263 thousand, \$41,050,097 thousand, cumulative gains and losses on disposals were a loss of \$1,703,096 thousand and a gain of \$553,965 thousand, respectively, for the year ended December 31, 2025 and 2024.

	For the Year Ended December 31	
	2025	2024
Equity instruments at fair value through other comprehensive income		
Fair value change recognized in other comprehensive income	\$ 1,042,903	\$ 6,170,929
(Loss) gain on disposal reclassified to retained earnings	(\$ 1,703,096)	\$ 553,965
Dividend income recognized in profit or loss		
Held at end of period	\$ 1,749,390	\$ 2,382,004
Derecognized during the period	1,954,041	1,433,406
	<u>\$ 3,703,431</u>	<u>\$ 3,815,410</u>
Debt instruments at fair value through other comprehensive income (loss)		
Fair value change recognized in other comprehensive income	\$ 6,912,480	\$ 1,452,624
Cumulative other comprehensive income reclassified to profit or loss		
(Loss) gain on disposal reclassified to profit or loss	(127,524)	378,832
	<u>\$ 6,784,956</u>	<u>\$ 1,831,456</u>
Impairment (loss) reversal gain (excluding the effect of exchange rates)	(\$ 12,419)	\$ 26,575
Interest income recognized in profit or loss	\$ 16,055,236	\$ 12,821,377

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

10. INVESTMENTS IN DEBT INSTRUMENTS MEASURED AT AMORTIZED COST

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Negotiable certificates of deposit	\$ 135,300,000	\$ 194,485,000
Government bonds	22,981,979	19,750,502
Corporate bonds	5,438,282	5,228,744
Bank debentures	4,444,067	15,408,222
Asset-backed securities	4,148,175	279,510
Treasury bonds	680,117	-
	<u>172,992,620</u>	<u>235,151,978</u>
Less: Loss allowance	(3,337)	(5,220)
	<u>\$ 172,989,283</u>	<u>\$ 235,146,758</u>

The details of the profit or loss on investment in debt instruments measured at amortized cost are listed below:

	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Interest revenue	\$ 2,861,690	\$ 4,200,415
Gain on disposal	68,116	79,286
Reversal gain on impairment	1,856	1,859
	<u>\$ 2,931,662</u>	<u>\$ 4,281,560</u>

The Group reclassified investments in debt instruments measured at amortized cost to cash in hand and working fund under cash and cash equivalents in 2025 and 2024, the disposal gain are \$68,116 thousand and \$79,286 thousand respectively.

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

For the information on related investments in debt instruments measured 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.

December 31, 2025	<u>At FVTOCI</u>	<u>At Amortized Cost</u>	<u>Total</u>
Total carrying amount	\$ 476,328,061	\$ 172,992,620	\$ 649,320,681
Loss allowance	(146,148)	(3,337)	(149,485)
Amortized cost	476,181,913	<u>\$ 172,989,283</u>	649,171,196
Fair value adjustment	(1,327,396)		(1,327,396)
	<u>\$ 474,854,517</u>		<u>\$ 647,843,800</u>
December 31, 2024	<u>At FVTOCI</u>	<u>At Amortized Cost</u>	<u>Total</u>
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>

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:

December 31, 2025

Credit Rating	Definitions	Expected Credit Loss Recognition Base	Expected Credit Loss Rate	December 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%	\$ 649,059,218
Stage 2	Credit risk has increased significantly since the initial recognition	Expected credit loss during the period of existence (no credit impairment)	1.793%~ 1.869%	206,552
Stage 3	Evidence of credit impairment	Expected credit loss during the period of existence (credit impairment)	60.98%	54,911

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

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

Investments in debt instruments at FVTOCI

	Credit Risk Rating			Total
	Stage 1 (12-Month ECLs)	Stage 2 (Lifetime ECLs without impairment)	(Lifetime ECLs with impairment)	
Balance at January 1, 2025	\$ 110,000	\$ 26,013	\$ -	\$ 136,013
Stage transfer-to lifetime ECLs	(57)	-	57	-
Purchase of new debt instruments	43,787	-	-	43,787
Derecognition	(31,810)	(5,798)	-	(37,608)
Provisions (reversal)	(14,349)	(12,903)	33,492	6,240
Exchange rate and other changes	(3,701)	1,418	(1)	(2,284)
Balance at December 31, 2025	\$ 103,870	\$ 8,730	\$ 33,548	\$ 146,148

	Credit Risk Rating			Total
	Stage 1 (12-Month ECLs)	Stage 2 (Lifetime ECLs without impairment)	(Lifetime ECLs with impairment)	
Balance at January 1, 2024	\$ 107,370	\$ 10,691	\$ 37,689	\$ 155,750
Stage transfer-to 12-Month ECLs	-	-	-	-
Stage transfer-to lifetime ECLs	(1,890)	1,890	-	-
Purchase of new debt instruments	40,438	-	-	40,438
Derecognition	(42,994)	(2,681)	(43,960)	(89,635)
Provisions (reversal)	4,497	18,125	-	22,622
Exchange rate and other changes	2,579	(2,012)	6,271	6,838
Balance at December 31, 2024	<u>\$ 110,000</u>	<u>\$ 26,013</u>	<u>\$ -</u>	<u>\$ 136,013</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	309	-	309
Derecognition	(1,495)	-	(1,495)
Provisions (reversal)	(670)	-	(670)
Exchange rate and other changes	(27)	-	(27)
Balance at December 31, 2025	<u>\$ 3,337</u>	<u>\$ -</u>	<u>\$ 3,337</u>
Balance at January 1, 2024	\$ 6,974	\$ -	\$ 6,974
Purchase of new debt instruments	346	-	346
Derecognition	(2,332)	-	(2,332)
Provisions (reversal)	127	-	127
Exchange rate and other changes	105	-	105
Balance at December 31, 2024	<u>\$ 5,220</u>	<u>\$ -</u>	<u>\$ 5,220</u>

12. SECURITIES PURCHASED UNDER RESELL AGREEMENTS

Securities purchased under resell agreements as of December 31, 2025 and 2024 were \$32,181,654 thousand and \$8,408,560 thousand. The aforementioned securities would be sold back one after another before March 12, 2026 and January 17, 2025 at \$32,214,998 thousand and \$8,415,417 thousand, respectively.

13. RECEIVABLES, NET

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accrued interest	\$ 10,632,502	\$ 10,114,478
Credit card receivables	4,267,406	4,187,443
Acceptances	2,027,131	1,816,601
Accounts receivable due from sales of securities	2,022,576	2,200,935
Finance lease receivable	738,648	683,527
Accounts receivable - factoring	266,318	228,353
Accounts receivable due from sale of real estate	69,181	1,959,975
Others	4,160,642	4,163,092
	<u>24,184,404</u>	<u>25,354,404</u>
Less: Allowance for credit losses	(971,732)	(605,735)
	<u>\$ 23,212,672</u>	<u>\$ 24,748,669</u>

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

For the Year Ended December 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	(310,185)	59,974	252,031	(1,820)	-
Transfer to ECLs on financial assets	(35,028)	(18,442)	(12,892)	66,362	-
Transfer to 12-month ECLs	230,485	(38,175)	(190,832)	(1,478)	-
Financial assets derecognized in the current period	(5,172,228)	(41,611)	(99,470)	(3,505)	(5,316,814)
Transfer or pay off the original amount	(1,765,473)	(23,562)	25,679	75,881	(1,687,475)
Purchased or originated financial assets	5,651,765	57,929	140,968	199,343	6,050,005
Write-offs	-	-	-	(66,210)	(66,210)
Exchange rate and other changes	(84,492)	(12)	(7,282)	(54,508)	(146,294)
Balance on December 31, 2025	\$ 22,188,382	\$ 158,548	\$ 300,094	\$ 1,547,639	\$ 24,194,663

	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	(1,633)	491	2,367	(1,225)	-	-	-
Transfer to ECLs on financial assets	(160)	(333)	(2,383)	2,876	-	-	-
Transfer to 12-month ECLs	17,752	(9,742)	(6,990)	(1,020)	-	-	-
Financial assets derecognized in the current period	(6,132)	(7,595)	(480)	(9,491)	(23,698)	-	(23,698)
Provisions (reversal)	(30,608)	10,426	5,782	41,397	26,997	-	26,997
Purchased or originated financial assets	5,982	6,368	2,759	453,753	468,862	-	468,862
The difference of impairment under the regulation or decree	-	-	-	-	-	12,707	12,707
Write-offs	-	-	-	(66,210)	(66,210)	-	(66,210)
Recoveries after write-off	-	-	-	34,348	34,348	-	34,348
Exchange rate and other changes	(83,061)	-	(325)	(4,065)	(87,451)	-	(87,451)
Balance on December 31, 2025	\$ 262,179	\$ 23,992	\$ 8,256	\$ 641,137	\$ 935,564	\$ 40,901	\$ 976,465

For the Year Ended December 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	(125,175)	62,815	62,706	(346)	-
Transfer to ECLs on financial assets	(46,462)	(16,525)	(6,291)	69,278	-
Transfer to 12-month ECLs	123,893	(33,054)	(84,458)	(6,381)	-
Financial assets derecognized in the current period	(3,864,853)	(181,974)	(32,818)	(9,234)	(4,088,879)
Transfer or pay off the original amount	1,542,345	(3,048)	6,002	81,367	1,626,666
Purchased or originated financial assets	3,268,598	41,304	25,190	709,182	4,044,274
Write-offs	-	-	-	(73,660)	(73,660)
Exchange rate and other changes	941,469	107	14,001	69,696	1,025,273
Balance on December 31, 2024	\$ 23,673,538	\$ 162,447	\$ 191,892	\$ 1,333,574	\$ 25,361,451

	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	(747)	558	314	(125)	-	-	-
Transfer to ECLs on financial assets	(332)	(2,010)	(600)	2,942	-	-	-
Transfer to 12-month ECLs	19,707	(15,017)	(2,202)	(2,488)	-	-	-
Financial assets derecognized in the current period	(8,419)	(24,945)	(535)	(7,149)	(41,048)	-	(41,048)
Provisions (reversal)	34,509	11,271	2,637	26,463	74,880	-	74,880
Purchased or originated financial assets	14,070	4,025	866	171,750	190,711	-	190,711
The difference of impairment under the regulation or decree	-	-	-	-	-	15,276	15,276
Changes in model/risk parameters	-	-	-	-	-	-	-
Write-offs	-	-	-	(73,660)	(73,660)	-	(73,660)
Recoveries after write-off	-	-	-	30,812	30,812	-	30,812
Exchange rate and other changes	15,465	11	510	8,547	24,533	-	24,533
Balance on December 31, 2024	\$ 360,039	\$ 24,377	\$ 7,526	\$ 190,774	\$ 582,716	\$ 28,194	\$ 610,910

14. DISCOUNTS AND LOANS, NET

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Loans	\$ 1,168,060,000	\$ 1,202,227,420
Inward/outward documentary bills	12,010,398	15,590,404
Overdrafts	10,413,405	12,722,988
Non-performing loans	<u>14,121,022</u>	<u>8,204,708</u>
	1,204,604,825	1,238,745,520
Discount and premium adjustments	(126,359)	(161,259)
Provisions for loans and discounts	<u>(19,411,390)</u>	<u>(17,567,744)</u>
	<u>\$ 1,185,067,076</u>	<u>\$ 1,221,016,517</u>

The Group discontinues accruing interest when loans are deemed non-performing. For the year ended December 31, 2025 and 2024, the unrecognized interest revenue on the non-performing loans amounted to \$34,801 thousand and \$46,707 thousand, respectively.

For the year ended December 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 year ended December 31, 2025 and 2024 are as follows:

For the Year Ended December 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	(28,910,665)	2,602,001	29,073,848	(2,765,184)	-	-
Transfer to ECLs on financial assets	(3,756,956)	(468,104)	(24,297,950)	28,523,010	-	-
Transfer to 12-month ECLs	12,543,365	(2,672,455)	(9,840,187)	(30,723)	-	-
Financial assets derecognized in the current period	(426,290,077)	(6,011,277)	(29,917,099)	(6,599,916)	-	(468,818,369)
Transfer or pay off the original amount	(45,599,991)	(180,031)	(1,730,945)	(9,062,760)	-	(56,573,727)
Purchased or originated financial assets	489,263,176	1,427,712	21,667,440	3,698,726	-	516,057,054
Write-offs	(67,554)	(39,710)	-	(11,610,736)	-	(11,718,000)
Exchange rate and other changes	(11,847,195)	4,531	(1,823,777)	579,188	(400)	(13,087,653)
Balance on December 31, 2025	\$ 1,154,172,247	\$ 5,259,282	\$ 22,795,588	\$ 22,372,073	\$ 5,635	\$ 1,204,604,825

	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	(121,825)	26,619	108,911	(13,705)	-	-	-	-
Transfer to ECLs on financial assets	(15,496)	(41,003)	(319,032)	375,531	-	-	-	-
Transfer to 12-month ECLs	1,078,068	(955,877)	(114,801)	(7,390)	-	-	-	-
Financial assets derecognized in the current period	(620,612)	(249,457)	(356,568)	(660,890)	-	(1,887,527)	-	(1,887,527)
Provisions (reversal)	(696,685)	403,062	160,914	3,471,069	-	3,338,360	-	3,338,360
Purchased or originated financial assets	2,615,677	81,972	631,751	7,848,900	-	11,178,300	-	11,178,300
The difference of impairment under the regulation or decree	-	-	-	-	-	-	889,525	889,525
Write-offs	(903)	(10,974)	-	(11,706,123)	-	(11,718,000)	-	(11,718,000)
Recoveries of write-offs	-	-	-	506,614	-	506,614	-	506,614
Exchange rate and other changes	(211,442)	1,783	(30,787)	(223,180)	-	(463,626)	-	(463,626)
Balance on December 31, 2025	\$ 3,148,872	\$ 592,375	\$ 797,057	\$ 5,099,455	\$ -	\$ 9,637,759	\$ 9,773,631	\$ 19,411,390

For the Year Ended December 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	(15,493,284)	1,360,407	14,139,931	(7,054)	-	-
Transfer to ECLs on financial assets	(10,884,013)	(583,028)	(3,583,260)	15,050,301	-	-
Transfer to 12-month ECLs	3,431,407	(1,128,821)	(2,230,010)	(72,576)	-	-
Financial assets derecognized in the current period	(390,928,751)	(1,541,271)	(15,002,256)	(1,156,458)	(28,909)	(408,657,645)
Transfer or pay off the original amount	(45,678,129)	(338,066)	(141,086)	(379,016)	(121)	(46,536,418)
Purchased or originated financial assets	412,849,566	5,293,855	14,030,122	1,572,701	-	433,746,244
Write-offs	(5,746)	(2,052)	-	(14,629,327)	(10,043)	(14,647,168)
Exchange rate and other changes	23,376,844	155,735	2,488,083	1,209,708	1,937	27,232,307
Balance on December 31, 2024	\$ 1,168,838,144	\$ 10,596,615	\$ 39,664,258	\$ 19,640,468	\$ 6,035	\$ 1,238,745,520

	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	(31,690)	3,630	29,670	(1,610)	-	-	-	-
Transfer to ECLs on financial assets	(36,304)	(69,165)	(35,893)	141,362	-	-	-	-
Transfer to 12-month ECLs	255,239	(191,880)	(24,941)	(38,418)	-	-	-	-
Financial assets derecognized in the current period	(584,469)	(112,218)	(454,851)	(193,479)	-	(1,345,017)	-	(1,345,017)
Provisions (reversal)	(492,707)	152,353	235,852	9,650,909	-	9,546,407	-	9,546,407
Purchased or originated financial assets	500,850	445,401	356,353	6,351,409	-	7,654,013	-	7,654,013
The difference of impairment under the regulation or decree	-	-	-	-	-	-	(658,508)	(658,508)
Write-offs	(70)	(372)	-	(14,636,681)	(10,045)	(14,647,168)	-	(14,647,168)
Recoveries of write-offs	-	-	-	451,245	-	451,245	-	451,245
Exchange rate and other changes	37,879	18,114	47,292	262,204	239	365,728	-	365,728
Balance on December 31, 2024	\$ 1,122,090	\$ 1,336,250	\$ 716,669	\$ 5,508,629	\$ -	\$ 8,683,638	\$ 8,884,106	\$ 17,567,744

The details of bad debt expense, commitment and guarantee liability provisions for the year ended December 31, 2025 and 2024 are listed below:

	For the Year Ended December 31	
	2025	2024
Provisions for loans and discounts	\$ 13,518,658	\$ 15,196,895
Provisions for receivables and other financial assets	484,868	239,819
Provisions (reversal) for reserve of possible losses on guarantees	126,278	(260,534)
Other provisions (reversal)	(1,319)	1,183
	<u>\$ 14,128,485</u>	<u>\$ 15,177,363</u>

To reflect changes in the business and market environment, the Bank and the subsidiary SCB (HK) assessed the Group's operations and made additional provisions for allowance for discounts and loans. In the first half of 2024, the Bank recognized an additional provision of NT\$1,100 million, and SCB (HK) recognized an additional provision of NT\$1,487 million. For further information, please refer to the Material Information section on the Market Observation Post System website of the Taiwan Stock Exchange.

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

Note 1: For non-material subsidiaries, the financial statements have not been audited by accountants.

Note 2: This 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	
		December 31, 2024	December 31, 2023
Shanghai Commercial Bank (H.K.)	Hong Kong	42.40%	42.40%

Name of Subsidiary	Interests	
	For the Year Ended December 31	
	2025	2024
Shanghai Commercial Bank (H.K.) (excluding NCI in its subsidiaries)	\$ 2,091,901	\$ 960,815

Name of Subsidiary	Accumulated Non-controlling	
	December 31, 2025	December 31, 2024
	Shanghai Commercial Bank (H.K.) (excluding NCI in its subsidiaries)	\$ 70,412,300

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

	December 31, 2025	December 31, 2024
Assets	\$ 918,577,824	\$ 961,468,370
Liabilities	(752,982,774)	(799,492,735)
NCI of SCB's subsidiaries	(534,347)	(493,519)
Equity	\$ 165,060,703	\$ 161,482,116
	December 31, 2025	December 31, 2024
Equity attributable to:		
Owners of SCSB	\$ 95,074,965	\$ 93,013,699
NCI of SCSB	69,985,738	68,468,417
	\$ 165,060,703	\$ 161,482,116
	For the Year Ended December 31	
	2025	2024
Revenue	\$ 25,196,583	\$ 23,585,189
Net profit for the period	\$ 4,947,280	\$ 2,346,774
Other comprehensive income for the period	5,767,416	6,763,574
Total comprehensive income for the period	\$ 10,714,696	\$ 9,110,348
Profit attributable to:		
Owners of SCSB	\$ 2,812,042	\$ 1,328,817
NCI of SCSB	2,069,976	978,157
NCI of SCB's subsidiaries	65,262	39,800
	\$ 4,947,280	\$ 2,346,774
Total comprehensive income attributable to:		
Owners of SCSB	\$ 6,134,385	\$ 5,224,773
NCI of SCSB	4,515,589	3,846,014
NCI of SCB's subsidiaries	64,722	39,561
	\$ 10,714,696	\$ 9,110,348

	For the Year Ended December 31	
	2025	2024
Net cash inflow (outflow) from:		
Operating activities	(\$ 95,043,626)	(\$ 30,629,813)
Investing activities	33,762,691	54,448,421
Financing activities	(941,183)	(11,092,550)
Net cash inflow	<u>(\$ 62,222,118)</u>	<u>\$ 12,726,058</u>

	For the Year Ended December 31	
	2025	2024
Dividends paid to non-controlling interests SCB (HK)	<u>\$ 2,384</u>	<u>\$ 1,982</u>

16. INVESTMENTS UNDER THE EQUITY METHOD

	December 31, 2025	December 31, 2024
Investments in associates	<u>\$ 1,645,086</u>	<u>\$ 1,559,287</u>

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 (Hong Kong) Limited convened a board meeting in accordance with the policy of all shareholders and approved the sale of Hong Kong Life Insurance Company Limited and the reclassification of the original account as assets held for sale using the equity method, amounting to HK\$246,010,000. The transaction was completed on October 9, 2025. Please refer to Appendix 4.

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

	For the Year Ended December 31	
	2025	2024
Profit from continuing operations	\$ 283,974	\$ 322,213
Other comprehensive income for the period	<u>5,829</u>	<u>195,937</u>
Total comprehensive income for the period	<u>\$ 289,803</u>	<u>\$ 518,150</u>

17. OTHER FINANCIAL ASSETS, NET

	December 31, 2025	December 31, 2024
Non-performing receivables	\$ 4,677	\$ 5,175
Bills of exchange	<u>5,582</u>	<u>1,872</u>
	10,259	7,047
Allowance for non-performing credit card receivables	<u>(4,733)</u>	<u>(5,175)</u>
	<u>\$ 5,526</u>	<u>\$ 1,872</u>

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

The balances of credit card receivables which were reported as non-performing amounted to \$4,677 thousand and \$5,175 thousand as of December 31, 2025 and 2024, respectively. The unrecognized interest revenue on the receivables amounted to \$66 thousand and \$80 thousand for the year ended December 31, 2025 and 2024, respectively.

18. PROPERTIES, NET

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Land	\$ 14,708,292	\$ 14,422,851
Buildings and improvements	7,536,814	4,074,589
Mechanical equipment	567,702	778,585
Miscellaneous equipment	570,420	632,404
Transportation equipment	35,175	44,688
Construction in progress and prepayments	264,658	4,237,723
	<u>\$ 23,683,061</u>	<u>\$ 24,190,840</u>

	For the Year Ended December 31, 2025					
	Balance at January 1, 2025	Additions	Disposals	Internal Transfers	Effects of Exchange Rate Changes, Net	Balance at December 31, 2025
Cost						
Land	\$ 15,549,440	\$ -	\$ -	\$ 575,294	(\$ 257,871)	\$ 15,866,863
Buildings and improvements	8,659,750	607,309	(256,723)	3,334,781	(188,085)	12,157,032
Mechanical equipment	3,516,189	99,613	(91,803)	4,743	(93,285)	3,435,459
Miscellaneous equipment	3,370,656	134,033	(56,884)	1,038	(100,883)	3,347,961
Transportation equipment	130,769	-	(16,339)	-	(4,588)	109,843
Construction in progress and prepayments	4,243,653	6,502	-	(3,935,483)	(50,014)	264,658
	<u>35,470,457</u>	<u>\$ 847,457</u>	<u>(\$ 421,749)</u>	<u>(\$ 19,627)</u>	<u>(\$ 694,722)</u>	<u>35,181,816</u>
Accumulated depreciation						
Land	1,126,589	\$ 70,144	\$ -	\$ 10,852	(\$ 49,014)	1,158,571
Buildings and improvements	4,585,161	244,239	(166,372)	35,368	(78,178)	4,620,218
Mechanical equipment	2,737,604	299,564	(87,624)	-	(81,787)	2,867,757
Miscellaneous equipment	2,738,252	183,275	(52,911)	-	(91,075)	2,777,541
Transportation equipment	86,081	5,908	(14,497)	-	(2,824)	74,668
Construction in progress and prepayments	5,930	-	-	(5,614)	(316)	-
	<u>11,279,617</u>	<u>\$ 803,130</u>	<u>(\$ 321,404)</u>	<u>\$ 40,606</u>	<u>(\$ 303,194)</u>	<u>11,498,755</u>
Net amount	<u>\$ 24,190,840</u>					<u>\$ 23,683,061</u>

	For the Year Ended December 31, 2024					
	Balance at January 1, 2024	Additions	Disposals	Internal Transfers	Effects of Exchange Rate Changes, Net	Balance at December 31, 2024
Cost						
Land	\$ 15,168,383	\$ -	(\$ 36,309)	\$ -	\$ 417,366	\$ 15,549,440
Buildings and improvements	8,361,087	1,105	(8,914)	-	306,472	8,659,750
Mechanical equipment	3,223,949	322,355	(193,010)	9,900	152,995	3,516,189
Miscellaneous equipment	3,064,085	224,466	(90,555)	2,120	170,540	3,370,656
Transportation equipment	151,718	3,148	(33,056)	-	8,959	130,769
Construction in progress and prepayments	3,342,412	849,099	-	(12,020)	64,162	4,243,653
	<u>33,311,634</u>	<u>\$ 1,400,173</u>	<u>(\$ 361,844)</u>	<u>\$ -</u>	<u>\$ 1,120,494</u>	<u>35,470,457</u>
Accumulated depreciation						
Land	980,194	\$ 70,168	\$ -	\$ -	\$ 76,227	1,126,589
Buildings and improvements	4,298,875	169,130	(8,872)	-	126,028	4,585,161
Mechanical equipment	2,464,293	328,117	(186,617)	93	131,718	2,737,604
Miscellaneous equipment	2,497,041	174,349	(84,456)	(93)	151,411	2,738,252
Transportation equipment	101,177	8,894	(29,458)	-	5,468	86,081
Construction in progress and prepayments	5,085	443	-	-	402	5,930
	<u>10,346,665</u>	<u>\$ 751,101</u>	<u>(\$ 309,403)</u>	<u>\$ -</u>	<u>\$ 491,254</u>	<u>11,279,617</u>
Net amount	<u>\$ 22,964,969</u>					<u>\$ 24,190,840</u>

The Group did not have any impairment losses on the properties for the year ended December 31, 2025 and 2024.

The land held by the subsidiary SCB (HK) 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
Mechanical 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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Carrying amount of right-of-use assets		
Buildings and improvements	\$ 1,399,235	\$ 1,690,875
Office equipment	31,113	60,215
Mechanical equipment	15,578	53,229
Transportation equipment	35,167	44,904
Land	2,467	5,014
	<u>\$ 1,483,560</u>	<u>\$ 1,854,237</u>

	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Increase in right-of-use assets	<u>\$ 494,482</u>	<u>\$ 767,654</u>
Depreciation expenses of right-of-use assets		
Buildings and improvements	\$ 729,803	\$ 734,760
Office equipment	26,303	26,478
Mechanical equipment	20,354	21,669
Transportation equipment	16,587	19,737
Land	2,334	2,359
	<u>\$ 795,381</u>	<u>\$ 805,003</u>

19.2 Lease liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Carrying amount of lease liabilities	<u>\$ 1,508,848</u>	<u>\$ 1,878,459</u>

The discount rate intervals for lease liabilities are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Buildings, improvements and land	0.60%~8.57%	0.60%~8.57%
Office equipment	1.15%~5.43%	1.15% ~ 5.43%
Mechanical equipment	0.60%~8.57%	0.60%~8.57%
Transportation equipment	0.60%~2.89%	0.60%~2.89%

19.3 Other lease information

	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Short-term lease expenses	<u>\$ 120,719</u>	<u>\$ 118,217</u>
Leases of low value assets	<u>\$ 72,268</u>	<u>\$ 76,024</u>
Variable lease payments which are not included in lease liabilities measurements	<u>\$ 13,289</u>	<u>\$ 13,783</u>
Total cash outflow for leases	<u>\$ 1,087,977</u>	<u>\$ 1,100,982</u>

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

20. INVESTMENT PROPERTIES, NET

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Land	<u>\$ 4,041,951</u>	<u>\$ 6,857,541</u>
Buildings and improvements	<u>1,280,180</u>	<u>1,121,001</u>
	<u>\$ 5,322,131</u>	<u>\$ 7,978,542</u>

	<u>For the Year Ended December 31, 2025</u>				
	<u>Balance at January 1, 2025</u>	<u>Additions</u>	<u>Disposals</u>	<u>Effect of Exchange Rate</u>	<u>Balance at December 31,</u>
Cost					
Land	\$ 6,919,762	\$ -	(\$ 1,048,075)	(\$ 1,772,074)	\$ 4,099,613
Buildings and improvements	1,417,695	656,243	(2,058,058)	1,544,522	1,560,402
	<u>8,337,457</u>	<u>\$ 656,243</u>	<u>(\$ 3,106,133)</u>	<u>(\$ 227,552)</u>	<u>5,660,015</u>
Less: Accumulated depreciation					
Land	62,221	\$ 3,459	\$ -	(\$ 8,018)	57,662
Buildings and improvements	296,694	32,101	-	(48,573)	280,222
	<u>358,915</u>	<u>\$ 35,560</u>	<u>\$ -</u>	<u>(\$ 56,591)</u>	<u>337,884</u>
Net amount	<u>\$ 7,978,542</u>				<u>\$ 5,322,131</u>

	For the Year Ended December 31, 2024			
	Balance at January 1, 2024	Additions	Effect of Exchange Rate Changes, Net	Balance at December 31, 2024
Cost				
Land	\$ 6,244,882	\$ 198,691	\$ 476,189	\$ 6,919,762
Buildings and improvements	1,319,172	-	98,523	1,417,695
	<u>7,564,054</u>	<u>\$ 198,691</u>	<u>\$ 574,712</u>	<u>8,337,457</u>
Less: Accumulated depreciation				
Land	54,497	\$ 3,482	\$ 4,242	62,221
Buildings and improvements	244,526	32,315	19,853	296,694
	<u>299,023</u>	<u>\$ 35,797</u>	<u>\$ 24,095</u>	<u>358,915</u>
Net amount	<u>\$ 7,265,031</u>			<u>\$ 7,978,542</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, on the balance sheet date. 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:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Fair value	<u>\$ 14,555,432</u>	<u>\$ 15,712,212</u>

The rental income from investment properties is stated below:

	For the Year Ended December 31	
	2025	2024
Rental income from investment properties	<u>\$ 233,801</u>	<u>\$ 201,183</u>

21. INTANGIBLE ASSETS, NET

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Bank license	\$ 1,424,581	\$ 1,506,609
Computer software	<u>659,862</u>	<u>687,885</u>
	<u>\$ 2,084,443</u>	<u>\$ 2,194,494</u>

For the Year Ended December 31, 2025

	<u>Balance at January 1, 2025</u>	<u>Additions</u>	<u>Disposals</u>	<u>Effects of Exchange Rate Changes, Net</u>	<u>Balance at December 31, 2025</u>
Cost					
Operating license	\$ 1,629,729	\$ -	\$ -	(\$ 68,589)	\$ 1,561,140
Computer software	<u>1,538,709</u>	<u>329,599</u>	<u>(225,342)</u>	<u>(27,658)</u>	<u>1,615,308</u>
	<u>3,168,438</u>	<u>\$ 329,599</u>	<u>(\$ 225,342)</u>	<u>(\$ 96,247)</u>	<u>3,176,448</u>
Less: Accumulated depreciation					
Operating license	123,120	\$ 18,481	\$ -	(\$ 5,042)	136,559
Computer software	<u>850,824</u>	<u>341,398</u>	<u>(225,342)</u>	<u>(11,434)</u>	<u>955,446</u>
	<u>973,944</u>	<u>\$ 359,879</u>	<u>(\$ 225,342)</u>	<u>(\$ 16,476)</u>	<u>1,092,005</u>
Net amount	<u>\$ 2,194,494</u>				<u>\$ 2,084,443</u>

For the Year Ended December 31, 2024

	<u>Balance at January 1, 2024</u>	<u>Additions</u>	<u>Disposals</u>	<u>Effects of Exchange Rate Changes, Net</u>	<u>Balance at December 31, 2024</u>
Cost					
Operating license	\$ 1,526,100	\$ -	\$ -	\$ 103,629	\$ 1,629,729
Computer software	1,226,239	344,920	(65,421)	32,971	1,538,709
Goodwill	<u>92,560</u>	<u>-</u>	<u>(98,845)</u>	<u>6,285</u>	<u>-</u>
	<u>2,844,899</u>	<u>\$ 344,920</u>	<u>(\$ 164,266)</u>	<u>\$ 142,885</u>	<u>3,168,438</u>
Less: Accumulated depreciation					
Operating license	97,087	\$ 18,851	\$ -	\$ 7,182	123,120
Computer software	<u>620,718</u>	<u>295,564</u>	<u>(65,360)</u>	<u>(98)</u>	<u>850,824</u>
	<u>717,805</u>	<u>\$ 314,415</u>	<u>(\$ 65,360)</u>	<u>\$ 7,084</u>	<u>973,944</u>
Net amount	<u>\$ 2,127,094</u>				<u>\$ 2,194,494</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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Prepaid expenses	\$ 6,644,483	\$ 6,621,985
Refundable deposits	2,722,788	1,715,000
Temporary payments and suspension	1,915,243	1,593,986
Deferred charges	44,639	47,719
Others	1,008,804	1,240,253
	<u>\$ 12,335,957</u>	<u>\$ 11,218,943</u>

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

23. DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Call loans from banks	\$ 23,950,238	\$ 36,139,848
Due to banks	8,012,103	6,112,495
Deposit from Chunghwa Post Co., Ltd.	1,221,799	1,221,799
Bank overdrafts	1,155,460	1,122,884
	<u>\$ 34,339,600</u>	<u>\$ 44,597,026</u>

24. SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

Securities sold under repurchase agreements as of December 31, 2025 and 2024 were \$7,192,305 thousand and \$4,783,153 thousand, respectively. The aforementioned securities will be repurchased by November 9, 2026 and June 27, 2025 at \$7,242,701 thousand and \$4,786,489 thousand, respectively.

25. PAYABLES

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Dividends payable	\$ 18,292,542	\$ 17,449,275
Accrued interest	6,821,933	8,448,204
Accounts payable	5,942,542	5,690,041
Accrued expenses	2,665,547	2,035,922
Acceptances	2,043,809	1,873,141
Others	866,802	935,586
	<u>\$ 36,633,175</u>	<u>\$ 36,432,169</u>

26. DEPOSITS AND REMITTANCES

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Time deposits	\$ 901,088,847	\$ 982,421,741
Savings deposits	655,022,750	636,394,734
Demand deposits	353,908,218	345,720,649
Negotiable certificates of deposit	62,464,800	70,525,400
Checking deposits	9,826,010	10,896,530
Remittances	232,942	260,986
	<u>\$ 1,982,543,567</u>	<u>\$ 2,046,220,040</u>

27. BANK DEBENTURES

27.1 The Bank

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
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
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
The subordinated bank debenture - 7-10 years maturity; first issued in 2018; maturity date is from June 2025 to 2028	2,000,000	5,000,000
The subordinated bank debenture; third issued in 2018; no maturity date	7,000,000	7,000,000
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
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
The bank debenture - 3-5 years maturity; first issued in 2022; maturity date is from July 2025 to 2027	1,200,000	2,000,000
The bank debenture-2-3 years maturity; second issued in 2022; maturity date is September 2025	-	1,000,000
The subordinated bank debenture; third issued in 2022; no maturity date	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
The subordinated bank debenture - 10 years maturity; second issued in 2024; maturity date is in March 2034	2,500,000	2,500,000
The bank debenture – 5-7 years maturity; third issued in 2024; maturity date is from December 2029 to 2031	4,050,000	4,050,000
The bank debenture – 5 years maturity; first issued in 2025; maturity date is in April 2030	2,100,000	-
The bank debenture – 3-5years maturity; second issued in 2025; maturity date is from September 2028 to 2030	8,450,000	-
The bank debenture - 3 years maturity; third issued in 2025; maturity date is in November 2028	400,000	-
	<u>\$ 54,370,000</u>	<u>\$ 48,220,000</u>

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

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

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

The third issuance of the 2018 subordinated bank debenture with no maturity date was at a fixed annual interest rate of 2.15% with the interest paid annually.

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 three-year 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 three-year 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 ten-year 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.

The first issuance of the 2025 five-year bank debenture was at a fixed annual interest rate of 1.88% with the interest paid annually and the repayment of principal at maturity.

The second issuance of the 2025 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 1.64%; Type B, five -year of bank debenture at a fixed annual interest rate of 1.68%. Their interests were paid annually with repayment of principals at maturity.

The third issuance of the 2025 three-year bank debenture was at a fixed annual interest rate of 1.61% with the interest paid annually and the repayment of principal at maturity.

27.2 SCB (HK)

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
The subordinate bank debenture- 10 years maturity, third issued in 2023, maturity date is in February 2033	<u>\$ 10,905,649</u>	<u>\$ 11,371,987</u>

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

	December 31, 2025	December 31, 2024
Principals of structured instruments	\$ 9,970,593	\$ 7,360,739
Appropriated loan funds	1,826,009	1,265,357
Bank borrowings	410,000	100,000
Commercial paper payable	179,440	69,943
Other financial liabilities	1,480,744	1,185,071
	<u>\$ 13,866,786</u>	<u>\$ 9,981,110</u>

29. PROVISIONS

	December 31, 2025	December 31, 2024
Provision for employee benefits	\$ 2,049,656	\$ 1,897,142
Provision for guarantees liabilities	1,047,027	934,386
Provision for financing commitment	130,333	129,903
Provision for settlement compensation	3,565	3,565
Provision for other operations	221,355	277,928
	<u>\$ 3,451,936</u>	<u>\$ 3,242,924</u>

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

For the Year Ended December 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	(907)	7	900	-	-	-	-
Transfer to credit impaired financial assets	-	-	-	-	-	-	-
Transfer to 12-month ECLs	73,818	(72,035)	(1,783)	-	-	-	-
Financial assets derecognized in the current period	(246,581)	(568)	(9,953)	(124,582)	(381,684)	-	(381,684)
Provisions (reversal)	(61,393)	1,809	1,320	167	(58,097)	-	(58,097)
Purchased or originated financial assets	453,946	1,835	14,291	7,957	478,029	-	478,029
The difference of impairment under the regulation or decree	-	-	-	-	-	88,030	88,030
Exchange rate and other changes	(6,571)	-	(78)	(6,558)	(13,207)	-	(13,207)
Balance on December 31, 2025	\$ 358,311	\$ 15,637	\$ 7,430	\$ 753	\$ 382,131	\$ 795,229	\$ 1,177,360

For the Year Ended December 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	(195)	14	181	-	-	-	-
Transfer to credit impaired financial assets	(218)	-	(44)	262	-	-	-
Transfer to 12-month ECLs	2,305	(164)	(2,141)	-	-	-	-
Financial assets derecognized in the current period	(108,763)	(1,917)	(2,560)	-	(113,240)	-	(113,240)
Provisions (reversal)	(33,187)	(86,077)	354	131,439	12,529	-	12,529
Purchased or originated financial assets	47,541	1,828	1,264	(14,531)	36,102	-	36,102
The difference of impairment under the regulation or decree	-	-	-	-	-	(195,925)	(195,925)
Exchange rate and other changes	14,648	85	260	5,808	20,801	-	20,801
Balance on December 31, 2024	\$ 145,999	\$ 84,589	\$ 2,733	\$ 123,769	\$ 357,090	\$ 707,199	\$ 1,064,289

30. OTHER LIABILITIES

	December 31, 2025	December 31, 2024
Guarantee deposits received	\$ 2,502,666	\$ 2,472,820
Deferred revenue	590,519	2,471,183
Revenue received in advance	122,343	161,020
Temporary credit	65,703	58,597
Others	646,355	531,892
	<u>\$ 3,927,586</u>	<u>\$ 5,695,512</u>

31. PENSION PLAN

The Bank

(1) Defined contribution plans

The Bank adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The total amounts of contributions to the defined contribution plans for the year ended December 31, 2025 and 2024 were \$125,823 thousand and \$117,494 thousand, respectively.

(2) Defined benefit plans

The defined benefit plans adopted by the Bank in accordance with the Labor Standards Law is operated by the government of Taiwan. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Bank contribute amounts equal to 10% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Bank assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Bank is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Bank has no right to

influence the investment policy and strategy.

Net defined benefit assets were presented in the actuarial report were as follows:

	Present Value of the Defined Benefit	Fair Value of the Plan Assets	Net Defined Benefit Assets
Balance on January 1, 2024	(\$ 3,125,396)	\$ 3,358,260	\$ 232,864
Service cost			
Current service cost	(98,696)	-	(98,696)
Interest (expense) income	(36,722)	41,430	4,708
Recognized in profit or loss	(135,418)	41,430	(93,988)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	258,214	258,214
Actuarial gains - changes in financial	58,990	-	58,990
Actuarial losses - experience adjustments	(274,620)	-	(274,620)
Recognized in other comprehensive income	(215,630)	258,214	42,584
Contributions from the employer	-	284,115	284,115
Plan assets paid	459,402	(459,402)	-
Balance on December 31, 2024	(\$ 3,017,042)	\$ 3,482,617	\$ 465,575

	Present Value of the Defined Benefit	Fair Value of the Plan Assets	Net Defined Benefit Assets
Balance on January 1, 2025	(\$ 3,017,042)	\$ 3,482,617	\$ 465,575
Service cost			
Current service cost	(74,944)	-	(74,944)
Interest (expense) income	(41,715)	50,888	9,173
Recognized in profit or loss	(116,659)	50,888	(65,771)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	217,945	217,945
Actuarial losses - changes in financial assumptions	(74,064)	-	(74,064)
Actuarial losses - experience adjustments	(222,842)	-	(222,842)
Recognized in other comprehensive income	(296,906)	217,945	(78,961)
Contributions from the employer	-	274,375	274,375
Plan assets paid	333,332	(333,332)	-
Balance on December 31, 2025	(\$ 3,097,275)	\$ 3,692,493	\$ 595,218

Through the defined benefit plans under the Labor Standards Law, the Bank is exposed to the following risks:

- A. Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- B. Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.
- C. Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate	1.38%	1.50%
Expected rate of salary increase	3.00%	2.75%

If possible reasonable changes in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate		
0.25% increase	(\$ 56,348)	(\$ 57,385)
0.25% decrease	\$ 57,862	\$ 58,990
Expected rate of salary increase		
0.25% increase	\$ 47,325	\$ 48,274
0.25% decrease	(\$ 46,283)	(\$ 47,158)

The sensitivity analysis presented above may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Average duration of the defined benefit obligation	7.8 years	7.8 years
Expected contributions to the plans for the next year	\$ 282,606	\$ 291,928

(3) Employee preferential deposit plan

The Bank's obligation to pay the quota deposits of current staff and retired employees is based on the Bank's relevant employee preferential deposit benefits. In accordance with the guidelines for the Regulations Governing the Preparation of Financial Reports by Public Banks, the Bank needs to measure on the excess interest arising from the post-retirement preferential deposit interest rate through actuarial process .

The actuarial assumptions of the retired employees' preferential deposit and welfare expenses are based on the Banking Bureau's requirement dated March 15, 2012 (Ref. No. 10110000850). The assumptions are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate	4.00%	4.00%
Deposit rate of return	2.00%	2.00%
Preferential deposit withdrawal rate	2.00%	2.00%
Change in the preferential deposit policy	50.00%	50.00%

The amount of the Bank's obligations arising from the preferential deposit plan for retired employees is included in the balance sheet as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Retired employees' preferential deposit liabilities, net	<u>\$ 847,327</u>	<u>\$ 769,171</u>

The amounts of the retired employees' preferential deposit benefit expenses in the consolidated statements of comprehensive income for the year ended December 31, 2025 and 2024 were \$117,803 thousand and \$138,532 thousand, respectively.

(4) Other long-term employee benefit liabilities

Current employees who are eligible for retirement will be given a pension according to the retirement plan. If employees do not have the qualification to retire, (a) the pension will be paid for one month if the service lasts less than one year; (b) if the service lasts more than one year and less than five years, they will receive pension for one month for serving each full year; (c) if the service lasts for more than five years, the pension is calculated according to the actuarial calculation method. However, the calculation method is only applicable to the service that existed before the application of the new system.

The amounts of the Bank's obligations arising from the employee's pension were included in the balance sheets as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Other long-term employee benefit liabilities, net	<u>\$ 48</u>	<u>\$ 14,180</u>

The Bank recognized a decrease of \$14,131 thousand and an increase of \$218 thousand in employee pension benefit cost in the consolidated statements of comprehensive income for the year ended December 31, 2025 and 2024, respectively.

SUBSIDIARIES

(1) Defined contribution plans

The Bank adopted a pension plan under the LPA, which is a defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. Retirement benefits provided by foreign subsidiaries in accordance with local laws and regulations are funded, and the pension funds are held as independently managed funds separate from the assets of the foreign subsidiaries.

The total amounts of contributions to the defined contribution plans as reported in the consolidated statements of comprehensive income for the year ended December 31, 2025 and 2024 were \$433,507 thousand and \$434,736 thousand, respectively.

(2) Defined benefit plans

Domestic and foreign subsidiaries recognize the relevant costs based on the results of the evaluation of the actuary. Costs of the defined benefit plans recognized in the consolidated statements of comprehensive loss in 2025 and 2024 were \$82 thousand and \$71 thousand, respectively; and other comprehensive income and expense were \$9,046 thousand and \$13,851 thousand, respectively.

The Group

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Defined benefit liabilities	\$ 1,202,281	\$ 1,113,791
Retired employees' preferential deposit liabilities	847,327	769,171
Other long-term employment benefits	48	14,180
	<u>\$ 2,049,656</u>	<u>\$ 1,897,142</u>

32. EQUITY

32.1 Share capital

Ordinary shares

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Share premium	\$ 24,049,635	\$ 24,049,635
Treasury shares transaction	2,084,440	2,074,960
Unclaimed dividends	1,646,298	1,494,596
Recognition of changes in equity of subsidiaries	85,518	85,518
Proportionate share in investee's surplus from donated assets under the equity method	1,218	1,218
	<u>\$ 27,867,109</u>	<u>\$ 27,705,927</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 shareholders' meeting on June 13, 2025 and June 21, 2024 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 appropriations of earnings and dividends per share for 2025 are subjected to the approval of the board directors' meeting on March 19, 2026 and shareholders' meetings on June 12, 2026.

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 December 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 December 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 December 31, 2025 and 2024, SCB (HK) 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 Year Ended December 31	
	2025	2024
Beginning balance	\$ 68,956,347	\$ 60,279,352
Attributed to non-controlling interests		
Net income	2,091,906	960,825
Translation adjustments for foreign operations	(2,940,825)	4,600,218
Unrealized gain on financial assets measured at	2,450,666	3,174,882
Realized gain on financial assets measured at	122,548	(17,367)
Gain (loss) on investments in debt instruments measured at FVTOCI	(440)	7,283
Share of other comprehensive profit and loss under the equity method	2,454	83,077
Income tax effect	(243,495)	(129,941)
Cash dividends distribution	(2,384)	(1,982)
Gain on Hedging Instruments	(24,426)	-
Ending balance	<u>\$ 70,412,351</u>	<u>\$ 68,956,347</u>

33. DETAILS OF COMPREHENSIVE INCOME STATEMENT ITEMS

33.1 Interest revenue, net

	For the Year Ended December 31	
	2025	2024
Interest income		
Discounts and loans	\$ 43,200,004	\$ 51,555,542
Securities investments	18,916,926	17,021,792
Due from banks	12,914,105	16,459,899
Credit card interests	132,469	124,089
Others	461,688	339,398
	<u>75,625,192</u>	<u>85,500,720</u>
Interest expense		
Deposits	35,095,772	42,964,858
Bank debentures	1,854,855	2,042,819
Due to banks	1,162,137	1,199,517
Structured instruments	387,172	292,312
Securities sold under repurchase agreements	91,744	43,302
Leased liability	67,091	69,511
Others	168,080	182,549
	<u>38,826,851</u>	<u>46,794,868</u>
Interest income, net	<u>\$ 36,798,341</u>	<u>\$ 38,705,852</u>

33.2 Service fee income, net

	For the Year Ended December 31	
	2025	2024
Service fee income		
Trust and custody services	\$ 2,433,527	\$ 1,988,319
Insurance commission fees	2,088,745	1,575,602
Loan service fees	1,134,759	1,016,965
Nominee and brokerage service charge	1,019,926	687,919
Credit card related fees	657,932	691,704
Guarantees related fees	577,817	626,749
Exchange related fees	364,403	381,809
Inward/outward business	190,734	226,605
Others (Note)	811,067	795,036
	<u>9,278,910</u>	<u>7,990,708</u>
Service charge		
Credit card service charge	\$ 372,691	\$ 377,376
Nominee and brokerage service charge	115,976	112,837
Finance service charge	60,950	71,293
Custody service charge	32,414	30,434
Inter-bank service charge	15,003	15,924
Others	523,100	591,563
	<u>1,120,134</u>	<u>1,199,427</u>
Service fee income, net	<u>\$ 8,158,776</u>	<u>\$ 6,791,281</u>

Note: Individual items did not exceed five percent of the total amount for the same item.

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

	For the Year Ended December 31, 2025		
	Realized	Unrealized	Total
	Gain (Loss)	Gain (Loss)	
Financial assets mandatorily classified as at FVTPL	\$ 6,105,621	\$ 318,072	\$ 6,423,693
Held-for-trading financial liabilities	(5,814,399)	177,835	(5,636,564)
Financial liabilities designated at FVTPL	168	(44,959)	(44,791)
	<u>\$ 291,390</u>	<u>\$ 450,948</u>	<u>\$ 742,338</u>

	For the Year Ended December 31, 2024		
	Realized	Unrealized	Total
	Gain (Loss)	Gain (Loss)	
Financial assets mandatorily classified as at FVTPL	\$ 15,471,194	(\$ 1,836,336)	\$ 13,634,858
Held-for-trading financial liabilities	(17,401,275)	804,396	(16,596,879)
Financial liabilities designated at FVTPL	-	262,303	262,303
	<u>(\$ 1,930,081)</u>	<u>(\$ 769,637)</u>	<u>(\$ 2,699,718)</u>

33.4 Realized gain or loss on financial assets at FVTOCI

	For the Year Ended December 31	
	2025	2024
	Dividend income	\$ 3,703,431
Disposal of debt instruments	(127,524)	378,832
	<u>\$ 3,575,907</u>	<u>\$ 4,194,242</u>

33.5 Other non-interest income

	For the Year Ended December 31	
	2025	2024
	Rent revenue	\$ 302,270
Gain on disposal of assets for sale	194,562	-
Property transaction gain (loss)	(96,495)	116,841
Provision for outstanding claims	-	(140,771)
Others	269,132	(135,972)
	<u>\$ 669,469</u>	<u>\$ 357,748</u>

33.6 Employment benefits expense

	For the Year Ended December 31	
	2025	2024
	Short-term employment benefits	\$ 10,908,729
Retirement benefits	834,554	646,289
Other benefit plan	596,496	689,140
	<u>\$ 12,339,779</u>	<u>\$ 11,549,980</u>

33.7 Compensation of employees 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. Furthermore, on June 13, 2025, the shareholders' meeting passed an amendment to the Articles of Association stipulating that the aforementioned employees' compensation should be allocated at a rate of not less than 10% to junior staff.

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

	For the Year Ended December 31			
	2023		2022	
	Cash	Shares	Cash	Shares
Employees' compensation	\$ 76,000	\$ -	\$ 76,000	\$ -
Remuneration of directors	\$ 40,420	\$ -	\$ 46,000	\$ -

The employees' compensation and the remuneration of directors for the year ended December 31, 2025 were as follows:

	For the Year Ended December 31, 2025
	Cash
Employees' compensation	\$ 80,000
Remuneration of directors	\$ 45,500

The remuneration of employees and directors for the 2025 is subject to the resolution of the board of directors held on March 19, 2026.

If the amount of the annual consolidated financial report changes after the release date, it will be treated according to the changes in accounting estimation and will be adjusted in the next year.

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

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

33.8 Depreciation and amortization

	For the Year Ended December 31	
	2025	2024
Depreciation expense		
Properties	\$ 803,130	\$ 805,003
Right-of-use assets	795,381	751,101
Investment properties	35,560	35,797
	<u>1,634,071</u>	<u>1,591,901</u>
Amortization expense		
Intangible assets	359,879	314,415
Other assets	4,487	40,809
	<u>364,366</u>	<u>355,224</u>
	<u>\$ 1,998,437</u>	<u>\$ 1,947,125</u>

33.9 Other operating and administrative expenses

	For the Year Ended December 31	
	2025	2024
Taxes	\$ 1,887,797	\$ 2,119,597
Project service fee	768,247	490,562
Maintenance and repair expense	698,698	592,235
Postal and Telecommunications Data expense	523,646	517,016
insurance	291,247	272,045
Others (Note)	2,149,952	1,810,394
	<u>\$ 6,319,587</u>	<u>\$ 5,801,849</u>

Note: Individual items did not exceed five percent of the total amount for the same item.

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 Year Ended December 31	
	2025	2024
Current tax		
In respect of the current year	\$ 3,564,272	\$ 4,704,364
In respect of prior periods	96,492	(124,266)
Undistributed retained earnings	54,441	580,841
	<u>3,715,205</u>	<u>5,160,939</u>
Deferred tax		
In respect of the current year	(2,116,723)	(1,008,652)
In respect of prior periods	-	(1,663,937)
	<u>(2,116,723)</u>	<u>(2,672,589)</u>
Income tax expense recognized in profit or loss	<u>\$ 1,598,482</u>	<u>\$ 2,488,350</u>

The reconciliation of accounting profit and income tax expenses is as follows :

	For the Year Ended December 31	
	2025	2024
Profit before tax from continuing operations	<u>\$ 18,518,042</u>	<u>\$ 16,927,658</u>
Income tax expense calculated at the statutory rate	\$ 4,078,058	\$ 3,519,919
Add (deduct) tax effect of :		
Tax-exempt cash dividend	(663,684)	(672,749)
Permanent difference - investment income	(382,272)	(1,243)
Tax-exempt gain on security transactions	25,459	(10,183)
Tax-exempt income from offshore banking unit (OBU)	(745,995)	(25,343)
Others	(864,017)	885,311
	<u>1,447,549</u>	<u>3,695,712</u>
Tax on unappropriated earnings	54,441	580,841
Adjustments for prior years' current tax	96,492	(124,266)
Adjustments for prior years' deferred tax	-	(1,663,937)
Income tax expense recognized in profit or loss	<u>\$ 1,598,482</u>	<u>\$ 2,488,350</u>

34.2 Income tax expense recognized in other comprehensive income

	For the Year Ended December 31	
	2025	2024
Deferred income tax		
Recognized in other comprehensive income		
Translation adjustments for foreign operations	\$ 830,842	(\$ 1,251,425)
Unrealized gain or loss on financial assets measured at FVTOCI	(934,529)	(357,499)
Defined benefit plans remeasurement	10,966	321
Income tax expense recognized in other comprehensive income	<u>(\$ 92,721)</u>	<u>(\$ 1,608,603)</u>

34.3 Current tax assets and liabilities

	December 31, 2025	December 31, 2024
Current tax assets		
Tax refund receivable	<u>\$ 1,073,339</u>	<u>\$ 185,113</u>
Current tax liabilities		
Income tax payable	<u>\$ 727,921</u>	<u>\$ 956,186</u>

34.4 Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the Year Ended December 31, 2025

Deferred Tax Assets	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Translation Difference	Ending Balance
Temporary differences					
Doubtful debts	\$ 1,074,532	\$ 161,386	\$ -	(\$ 591)	\$ 1,235,327
Impairment loss on financial assets at FVTOCI	12,445	1,688	-	-	14,133
Unrealized loss on financial instruments	839,365	199,900	(382,111)	(336,057)	321,097
Unrealized foreign exchange loss	-	19,728	-	-	19,728
Cumulative translation adjustment	16,243	-	-	-	16,243
Employee benefits plan	142,082	(14,232)	10,966	(1,556)	137,260
Others	<u>2,851,592</u>	<u>1,733,017</u>	<u>(989)</u>	<u>(81,565)</u>	<u>4,502,055</u>
	<u>\$ 4,936,259</u>	<u>\$ 2,101,487</u>	<u>(\$ 372,134)</u>	<u>(\$ 419,769)</u>	<u>\$ 6,245,843</u>
Deferred Tax Liabilities					
Temporary differences					
Investment gain of foreign subsidiaries recognized under equity method	(9,648,081)	(86,902)	831,831	-	(8,903,152)
Unrealized foreign exchange gain	(80,322)	80,322	-	-	-
Unrealized gain on financial instruments	(4,338)	4,338	(552,418)	(12,512)	(564,930)
Others	<u>(240,686)</u>	<u>17,478</u>	<u>-</u>	<u>(23,521)</u>	<u>(246,729)</u>
	<u>(\$ 9,973,427)</u>	<u>\$ 15,236</u>	<u>\$ 279,413</u>	<u>(\$ 36,033)</u>	<u>(\$ 9,714,811)</u>

For the Year Ended December 31, 2024

Deferred Tax Assets	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Translation Difference	Ending Balance
Temporary differences					
Doubtful debts	\$ 1,630,428	(\$ 558,262)	\$ -	\$ 2,366	\$ 1,074,532
Impairment loss on financial assets at FVTOCI	20,897	(8,452)	-	-	12,445
Unrealized loss on financial instruments	1,205,782	(167,560)	(357,499)	158,642	839,365
Unrealized foreign exchange loss	194,476	(194,476)	-	-	-
Cumulative translation adjustment	16,243	-	-	-	16,243
Employee benefits plan	158,668	(19,122)	321	2,215	142,082
Others	1,160,823	1,507,260	(6,391)	189,900	2,851,592
	<u>\$ 4,387,317</u>	<u>\$ 559,388</u>	<u>(\$ 363,569)</u>	<u>\$ 353,123</u>	<u>\$ 4,936,259</u>
Deferred Tax Liabilities					
Temporary differences					
Investment gain of foreign subsidiaries recognized under equity method	(10,551,004)	2,147,957	(1,245,034)	-	(9,648,081)
Unrealized foreign exchange gain	-	(80,322)	-	-	(80,322)
Unrealized gain on financial instruments	-	(4,338)	-	-	(4,338)
Others	(273,197)	49,905	-	(17,394)	(240,686)
	<u>(\$ 10,824,201)</u>	<u>\$ 2,113,202</u>	<u>(\$ 1,245,034)</u>	<u>(\$ 17,394)</u>	<u>(\$ 9,973,427)</u>

34.5 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 Year Ended December 31	
	2025	2024
Basic earnings per share	<u>\$ 3.06</u>	<u>\$ 2.78</u>
Diluted earnings per share	<u>\$ 3.06</u>	<u>\$ 2.78</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 Year Ended December 31	
	2025	2024
	Earnings used in the computation of basic and diluted earnings per share	<u>\$ 14,827,654</u>

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

	For the Year Ended December 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	2,239	2,183
Weighted average number of ordinary shares used in the computation of diluted earnings per share	4,852,445	4,852,389

In the computation of diluted earnings per share, it assumed the entire amount of the compensation will 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

	December 31, 2025			For the Year Ended December 31, 2025
	Maximum Balance	Ending Balance	Interest Rate (%)	Interest Expense
IBF Securities Co., Ltd.	\$ 7,485,909	\$ 6,495,058	0.64~1.60	\$ 42,198
Directors and related management	7,643,824	6,703,524	0.01~4.30	148,518
Financial Information Service Co., Ltd.	2,289,415	860,590	0.00~1.70	17,876
The SCSB Cultural & Educational Foundation	350,554	335,079	0.00~1.72	4,953
Employees	282,186	102,284	0.00~10.98	3,569
Others	601,452	410,370	0.00~4.00	1,860
	<u>\$ 18,653,340</u>	<u>\$ 14,906,905</u>		<u>\$ 218,974</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	\$ 368,814
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>\$ 429,455</u>

36.2.2 Interest receivable (accounted for as receivables)

	December 31, 2025	December 31, 2024
Directors and related management	<u>\$ 118</u>	<u>\$ 105</u>

36.2.3 Interest payable (accounted for as payables)

	December 31, 2025	December 31, 2024
IBF Securities Co., Ltd.	\$ 1,948	\$ 1,607
Financial Information Service Co., Ltd.	965	2,440
Directors and related management	552	630
The SCSB Cultural & Educational Foundation	99	100
The SCSB Charity Foundation	3	3
	<u>\$ 3,567</u>	<u>\$ 4,780</u>

36.2.4 Guarantee deposits received (accounted for as other liabilities)

	December 31, 2025	December 31, 2024
The SCSB Cultural & Educational Foundation	<u>\$ 421</u>	<u>\$ 318</u>

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

	For the Year Ended December 31	
	2025	2024
The SCSB Cultural & Educational Foundation	<u>\$ 1,362</u>	<u>\$ 1,282</u>

For the rental contracts with related parties, the rental is determined in proportion to similar 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

December 31, 2025									
Category	Name	Maximum Balance	Ending Balance	Performance		Collateral	Interest Rate (%)	Difference of Terms of the Transactions with Unrelated Parties	For the Year Ended
				Normal Loans	Non- performingLoans				December 31, 2025
Loans for personal house mortgage	Directors and related management (4)	\$ 34,065	\$ 33,089	\$ 33,089	\$ -	Real estate	2.18~2.48	None	\$ 530
Others	Directors and related management (11)	213,974	203,394	203,394	-	Real estate	2.18~2.52	None	29,202
	Directors and related management (5)	1,028	533	533	-	None	2.23~2.54	None	19
		<u>\$ 249,067</u>	<u>\$ 237,016</u>	<u>\$ 237,016</u>	<u>\$ -</u>				<u>\$ 29,751</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)	<u>2,094</u>	<u>1,012</u>	<u>1,012</u>	<u>-</u>	None	2.11~2.55	None		<u>26</u>
		<u>\$ 266,297</u>	<u>\$ 242,123</u>	<u>\$ 242,123</u>	<u>\$ -</u>					<u>\$ 40,782</u>

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

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

36.2.7 Donation

	For the Year Ended December 31	
	2025	2024
The SCSB Cultural & Educational Foundation	<u>\$ 13,000</u>	<u>\$ 15,000</u>

36.2.8 Disposal of investment property (Gains or losses on investment property)

Name of related-party	Transaction Amount		Gain on Disposal	
	For the Year Ended December 31		For the Year Ended December 31	
	2025	2024	2025	2024
Others	<u>\$ 65,758</u>	<u>\$ -</u>	<u>\$ 13,256</u>	<u>\$ -</u>

36.3 Compensation of directors and management personnel

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

	For the Year Ended December 31	
	2025	2024
Salaries and other short-term employee benefits	\$ 427,716	\$ 428,271
Remuneration of directors	123,381	109,918
Post-employment benefits	52,439	49,691
Bonuses and employees' compensation	115,250	117,245
Others	<u>212,595</u>	<u>86,105</u>
	<u>\$ 931,381</u>	<u>\$ 791,230</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.

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

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>Guaranty Purpose</u>
The Bank			
Financial assets at FVTOCI	\$ 477,798	\$ 448,643	Operating guarantee

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>Guaranty Purpose</u>
Investments in debt instruments measured at amortized cost	\$ 14,228,720	\$ 3,615,875	Operating guarantee
Financial assets at FVTOCI	806,958	12,579,686	Operating guarantee
Due from the Central Bank and call loans to banks	1,521,172	1,999,299	Operating guarantee
Other assets	559,878	623,663	Guaranteed derivative
	<u>\$ 17,116,728</u>	<u>\$ 18,818,523</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 December 31, 2025 and 2024, were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Commitments of forward contracts with customers	\$ 610,845,472	\$ 477,107,270
Securities in custody	242,946,581	238,131,966
Assets under trust	232,437,854	240,488,399
Guarantee notes payable	115,866,600	99,753,100
Government bonds in brokerage accounts	35,064,400	31,660,000
Receivables under custody	20,578,829	23,815,769
Short-term bills in brokerage accounts	2,237,810	1,468,140

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:

	December 31, 2025		December 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Investments in debt instruments measured at amortized cost	\$ 172,989,283	\$ 173,019,243	\$ 235,146,758	\$ 235,030,208
Financial liabilities				
Bank debentures	65,275,649	65,690,485	59,591,987	59,864,065

40.1.2 Fair value level

	December 31, 2025			
	Total	Level 1	Level 2	Level 3
Financial assets				
Financial assets measured at amortized	\$ 173,019,243	\$ 29,224,598	\$ 143,794,645	\$ -
Financial liabilities				
Bank debentures	65,690,485	-	65,690,485	-
	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	-

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		December 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	\$ 208,947	\$ 138,216	\$ -	\$ 70,731	
Bonds	417,728	-	417,728	-	
Financial assets at FVTOCI					
Equity instruments	46,941,521	42,222,625	-	4,718,896	
Debt instruments	474,854,517	296,020,763	178,822,155	11,599	
	<u>\$ 522,422,713</u>	<u>\$ 338,381,604</u>	<u>\$ 179,239,883</u>	<u>\$ 4,801,226</u>	
Liabilities					
Financial liabilities measured at FVTPL	<u>\$ 1,823,796</u>	<u>\$ -</u>	<u>\$ 1,823,796</u>	<u>\$ -</u>	
Derivative financial instruments					
Assets					
Financial assets measured at FVTPL	<u>\$ 3,805,632</u>	<u>\$ 516,904</u>	<u>\$ 3,043,189</u>	<u>\$ 245,539</u>	
Liabilities					
Financial liabilities measured at FVTPL	<u>\$ 4,308,352</u>	<u>\$ 8,480</u>	<u>\$ 4,054,333</u>	<u>\$ 245,539</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>	
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>	

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

40.2.2 Reconciliation of Level 3 fair value measurement

For the Year Ended December 31, 2025

Item	Beginning Balance	Amount of Valuation Gain or Loss		Addition		Reduction		Exchange	Ending Balance
		Included in Profit or Loss	Included in Other	Buy or Issue	Transferred In	Sell Out, Disposal or Settlement	Transferred Out from Third Level		
Assets									
Financial assets measured at FVTPL	\$ 65,545	\$ 253,560	\$ -	\$ -	\$ -	\$ -	\$ -	(\$ 2,835)	\$ 316,270
Financial assets measured at FVTOCI	4,763,812	-	38,035	(55,989)	-	(1,442)	(10,817)	(3,104)	4,730,495
Liabilities									
Financial liabilities measured at FVTPL	-	245,539	-	-	-	-	-	-	245,539

For the Year Ended December 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	\$ 7,132	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,238	\$ 65,545
Financial assets measured at FVTOCI	4,500,585	-	156,704	-	876,150	(5,677)	(885,330)	121,380	4,763,812

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 debt 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 September 30, 2025	Valuation Techniques	Significant Unobservable Inputs	Interval (Weighted-Average)	Notes
Financial assets measured at FVTPL Shares	\$ 70,731	Market approach	Price to book ratio	100%	Positively correlated to fair value
Financial assets measured at FVTOCI Shares	4,718,896	1. Market approach 2. Net asset value method 3. Discounted dividend method	1. Market liquidity reduction 2. Market liquidity reduction 3. Capital cost 4. Dividend yield 5. Dividend growth rate 6. Sustainable growth rate	1. 10%-19% 2. 10%-19% 3. 11.5% 4. 1.7% 5. 15%-30% 6. 13.05%	1. Negatively correlated to fair value 2. Negatively correlated to fair value 3. Negatively correlated to fair value 4. Negatively correlated to fair value 5. Positively correlated to fair value 6. Negatively correlated to fair value
Bonds	11,599	Discounted cash flow method	Discount rate	0%-10%	Negatively correlated to fair value
Financial assets measured at FVTPL derivatives	245,539	External bank Quotes	Not applicable	Not applicable	Not applicable
Financial liabilities measured at FVTPL derivatives	245,539	External bank quotes	Not applicable	Not applicable	Not applicable

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 2. Net asset value method 3. Discounted dividend method	1. Market liquidity reduction 2. Market liquidity reduction 3. Cost of equity 4. Sustainable growth rate	1. 10%-19% 2. 10%-19% 3. 15.12% 4. 13.05%	1. Negatively correlated to fair value 2. Negatively correlated to fair value 3. Negatively correlated to fair value 4. Negatively correlated to fair value
Bonds	12,138	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 having Level 3 fair value measurements, if the parameters were to go up 1%, the influence on net income or other comprehensive income would be as follows:

December 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	\$ 706	(\$ 706)	\$ -	\$ -
Financial assets measured at FVTOCI	-	-	35,514	(35,514)

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)

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 December 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 December 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:

December 31, 2025

	Book Value	Maximum Exposure to Credit Risk Mitigated by			Total
		Collateral	Master Netting Arrangement	Other Credit Enhancement	
Financial instruments subject to IFRS 9 impairment requirements and credit impairment					
Receivables	\$ 1,547,639	\$ 676,843	\$ -	\$ -	\$ 676,843
Discounts and loans	22,377,709	16,632,495	-	665,088	17,297,583

December 31, 2024

	Book Value	Maximum Exposure to Credit Risk Mitigated by			Total
		Collateral	Master Netting Arrangement	Other Credit Enhancement	
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	13,705,495	-	804,697	14,510,192

(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:

	December 31, 2025	December 31, 2024
Other guarantees	\$ 70,562,604	\$ 81,497,110
Issued and non-cancelable loan commitments	37,730,999	40,210,298
Issued but unused letters of credit	28,520,211	35,130,621
Non-cancelable credit card commitments	551,833	586,880

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 audits credit accounts.

Total carrying amounts of the financial assets with the largest credit risk exposure in the Group are as follows:

	December 31, 2025			
	12-Month ECLs	Lifetime ECLs - Unimpaired	Lifetime ECLs - Impaired	Total
Discounts and loans				
Consumer banking				
-Mortgage	\$ 357,447,496	\$ 2,750,460	\$ 806,782	\$ 361,004,738
-Microcredit	22,463,347	860,436	1,426,634	24,750,417
-Others	47,604,412	194,273	526,054	48,324,739
Corporate banking				
-Secured	415,250,325	11,765,434	17,017,667	444,033,426
-Unsecured	311,406,666	12,484,267	2,600,572	326,491,505
Total	\$ 1,154,172,246	\$ 28,054,870	\$ 22,377,709	\$ 1,204,604,825
Accounts receivable (including non-performing credit card receivables)				
Credit cards	\$ 3,835,486	\$ 248,399	\$ 72,923	\$ 4,156,808
Others	18,352,896	210,243	1,474,716	20,037,855
Total	\$ 22,188,382	\$ 458,642	\$ 1,547,639	\$ 24,194,663
Debt instruments measured at FVTOCI	\$ 476,066,598	\$ 206,552	\$ 54,911	\$ 476,328,061
Investments in debt instruments measured at amortized cost	\$ 172,992,620	\$ -	\$ -	\$ 172,992,620

	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

(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	December 31, 2025		December 31, 2024	
	Amount	%	Amount	%
Private sector	\$ 668,353,048	55	\$ 726,087,738	59
Consumer	475,279,213	40	453,777,954	36
Financial institution	56,454,723	5	51,020,491	4
Others	4,517,841	-	7,859,337	1
	<u>\$ 1,204,604,825</u>	<u>100</u>	<u>\$ 1,238,745,520</u>	<u>100</u>

B. Region

Region	December 31, 2025		December 31, 2024	
	Amount	%	Amount	%
Taiwan	\$ 820,090,092	68	\$ 788,810,986	64
Asia Pacific except Taiwan	284,214,254	24	316,090,626	25
Others	100,300,479	8	133,843,908	11
	<u>\$ 1,204,604,825</u>	<u>100</u>	<u>\$ 1,238,745,520</u>	<u>100</u>

C. Collateral

Collaterals Assumed	December 31, 2025		December 31, 2024	
	Amount	%	Amount	%
Unsecured	\$ 320,847,466	27	\$ 339,906,786	27
Secured				
Properties	782,127,686	65	794,984,935	64
Guarantee	50,641,682	4	56,909,172	4
Financial collateral	30,488,374	3	25,033,199	2
Personal properties	2,069,309	-	2,883,481	1
Other collateral	18,430,308	1	19,027,947	2
	<u>\$ 1,204,604,825</u>	<u>100</u>	<u>\$ 1,238,745,520</u>	<u>100</u>

(5) Information on credit risk quality

Part of the financial assets held by the Group, cash and cash equivalents, financial assets at fair value through profit or loss, investments in bills and bonds with resale agreements, guarantee deposits paid, security businesses, clearing and settlement funds, etc. are assessed 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 (DV01, Delta, Beta) etc. Measurement of investment portfolio is affected by interest rate risk, foreign exchange risk and price of equity securities.

B. Monitoring and reporting

The 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 measures the impact of interest risk on its investment portfolio using DV01 and assesses the effects of interest rate changes on its earnings and economic value using IRRBB.

(5) Foreign exchange rate risk management

A. Definition of foreign exchange 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.

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% to 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 has assessed the possible impact on income if global yield curve moves between -1 to +1 basis points simultaneously on December 31, 2025 and 2024 while other factors remain unchanged.

b. Foreign exchange rate risk

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

The functional currency of SCB (HK) is the HKD, and the major foreign currency is the 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 has assessed the possible impact on income when equity security prices on December 31, 2025 and 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:

December 31, 2025			
Major Risk	Fluctuation Range	Amount	
		Equity	Profit or Loss
Foreign exchange risk	Foreign currency appreciated 1% against the	\$ 962,960	(\$ 3,564)
	Foreign currency depreciated 1% against NTD	(962,960)	3,564
Interest rate risk	Interest rate curve edged up 1bp	(95,363)	8,888
	Interest rate curve edged down 1bp	95,363	(8,888)
Equity price risk	Equity price increased 1%	384,859	1,522
	Equity price decreased 1%	(384,859)	(1,522)

December 31, 2024			
Major Risk	Fluctuation Range	Amount	
		Equity	Profit or Loss
Foreign exchange risk	Foreign currency appreciated 1% against the	\$ 891,529	\$ 15,838
	Foreign currency depreciated 1% against NTD	(891,529)	(15,838)
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)

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.

December 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	\$ 20,267,060	\$ 6,526,441	\$ 1,833,111	\$ 2,069,837	\$ 3,643,151	\$ 34,339,600
Financial liabilities measured at FVTPL	-	-	-	-	1,823,305	1,823,305
Securities sold under repurchase agreements	1,193,914	5,588,297	105,094	305,000	-	7,192,305
Payables	32,774,799	1,490,132	714,218	711,116	942,910	36,633,175
Deposits and remittances	1,080,096,137	443,064,657	159,748,614	283,549,930	16,084,229	1,982,543,567
Bank debentures	-	350,420	-	2,350,420	62,574,809	65,275,649
Other financial liabilities	12,080,907	52,270	156,924	203,366	1,373,319	13,866,786
Lease liabilities	38,319	71,785	103,382	173,768	1,121,594	1,508,848

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

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. Derivative financial liabilities in net settlement

December 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	\$ 548,915	\$ 118,013	\$ 7,313	\$ 7,013	\$ -	\$ 681,254
Interest rate derivatives	-	717	2,035	4,523	674,286	681,561

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

B. Derivative financial liabilities in total settlement

December 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	\$ 346,684,595	\$ 108,355,216	\$ 76,836,796	\$ 30,941,355	\$ 174,295	\$ 562,992,257
Cash outflow	346,895,367	108,732,245	77,112,699	31,130,781	183,689	564,054,781
Interest rate derivatives						
Cash inflow	52,375	110,336	166,912	329,626	2,702,822	3,362,071
Cash outflow	52,375	110,336	166,912	329,626	2,702,822	3,362,071

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

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 the cash flows of contracts so that part items could not correspond with all items in the balance sheet.

December 31, 2025	0-30 days	31-90 days	91-180 days	181 days-1 year	Over 1 year	Total
Other guarantees	\$ 18,909,616	\$ 10,572,808	\$ 6,963,549	\$ 16,345,457	\$ 17,771,174	\$ 70,562,604
Non-cancelable loan commitments	8,956,046	311,428	3,751,521	804,452	23,907,552	37,730,999
Issued but unused letters of credit	25,470,816	2,523,956	453,234	46,081	26,124	28,520,211
Non-cancelable credit card commitments	82,720	165,440	248,159	55,514	-	551,833

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

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.

December 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	\$ 7,416,095	\$ 7,192,305	\$ 7,416,095	\$ 7,192,305	(\$ 223,790)
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

41. 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.

The Banking Act and related measures stipulate that in order to improve the financial foundation of a bank, the ratio of the Group's own capital to the risky assets shall not be less than 10.50%, where the actual ratio is lower than the prescribed standard, the authorities may impose limit on its capital surplus distribution.

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

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Analysis items		
Eligible capital		
Common equity	\$ 223,059,144	\$ 216,125,558
Other Tier I capital	11,512,245	11,778,137
Tier II capital	<u>34,971,388</u>	<u>37,142,453</u>
Eligible capital	<u>\$ 269,542,777</u>	<u>\$ 265,046,148</u>
Risk-weighted assets		
Credit risk		
Standardized approach	\$ 1,339,337,497	\$ 1,383,947,050
Credit valuation adjustment (CVA)	4,302,961	3,257,486
Internal rating based approach	N/A	N/A
Synthetic securitization	-	585,188
Operational risk		
Basic indicator approach	N/A	84,669,937
Standardized approach/ alternative standardized	78,722,088	N/A
Advanced measurement approach	N/A	N/A
Market risk		
Standardized approach	29,129,571	89,552,971
Simplified Standardized approach	5,325,900	N/A
Internal models approach	<u>N/A</u>	<u>N/A</u>
Total risk-weighted assets	<u>\$ 1,456,818,017</u>	<u>\$ 1,562,012,632</u>
Capital adequacy ratio	18.50%	16.97%
Ratio of common equity to risk-weighted assets	15.31%	13.84%
Ratio of Tier I capital to risk-weighted assets	16.10%	14.59%
Leverage ratio	9.22%	8.67%

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

Note 2: Formulas used were as follows:

(1) Eligible capital = Ordinary equity + Other Tier I capital + Tier II capital.

(2) Total risk-weighted assets = Risk-weighted assets for credit risk + Capital requirements for operational risk and market risk × 12.5.

- (3) Capital adequacy ratio = Eligible capital ÷ Total risk-weighted assets.
- (4) Ratio of ordinary equity to risk-weighted assets = Ordinary equity ÷ Total risk-weighted assets.
- (5) Ratio of Tier I capital to risk-weighted assets = (Ordinary equity + Other Tier I capital) ÷ Total risk-weighted assets.
- (6) Leverage ratio = Net value of tier I capital ÷ Net value of exposure measurement

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

42.1 Assets quality: As stated in Table 1

42.2 Concentration of credit extensions

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

Ranking (Note 1)	December 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)	11,042,820	5.39%	M Group (hotel property development)	12,758,316	7.70%
2	B Group (general management agency)	7,152,599	3.49%	N Group (property development)	11,194,399	6.76%
3	C Group (computer manufacturing)	6,848,379	3.34%	O Group (hotel property development)	10,352,187	6.25%
4	D Group (general management agency)	6,479,883	3.16%	P Group (property development)	8,083,382	4.88%
5	E Group (wholesale of computers and peripherals, and software)	6,173,566	3.01%	Q Group (car dealership)	6,979,457	4.21%
6	F Group (financial leasing)	4,507,070	2.20%	R Group (conglomerate company)	5,866,952	3.54%
7	G Group (real estate development)	4,225,000	2.06%	S Group (broadcasting and entertainment industry)	5,672,252	3.43%
8	H Group (electric power supply)	4,141,077	2.02%	T Group (hotel property development)	5,589,245	3.38%
9	I Group (real estate development)	3,949,101	1.93%	U Group (property development, garment and merchandise trading)	5,367,145	3.24%
10	J Group (computer manufacturing)	3,928,250	1.92%	V Group (Import and export of garments and accessories)	4,078,897	2.46%

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%	M Group (hotel property development)	13,425,395	8.29%
2	B Group (general management agency)	8,145,220	4.11%	O Group (hotel property development)	11,285,083	6.97%
3	D Group (general management agency)	7,507,925	3.79%	P Group (property development)	8,501,816	5.25%
4	C Group (computer manufacturing)	6,674,387	3.37%	T Group (hotel property development)	7,348,459	4.54%
5	K Group (real estate development)	5,899,702	2.98%	S Group (broadcasting and entertainment industry)	6,715,580	4.15%
6	H Group (electric power supply)	5,272,437	2.66%	W Group (property investment and development)	6,575,798	4.06%
7	F Group (financial leasing)	4,507,372	2.28%	N Group (property development)	6,521,851	4.03%
8	L Group (wiring and cable system manufacturing)	4,280,715	2.16%	R Group (conglomerate company)	6,266,125	3.87%
9	J Group (computer manufacturing)	4,190,660	2.12%	X Group (property investment and development)	6,115,374	3.78%
10	G Group (real estate development)	3,895,000	1.97%	Y Group (investment holding)	5,981,877	3.69%

Note 1: The top 10 credit extensions ranking is made by total credit balance, which excluded government-owned or state-run enterprises. If the borrower is an affiliate of the 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), exchange bills negotiated, accounts receivable - without recourse factoring, acceptances receivable and guarantees issued.

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

42.3 Interest rate sensitivity information

42.3.1 The Bank

Interest Rate Sensitivity (NTD)

December 31, 2025

Item	1~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Interest rate sensitive assets	\$ 948,479,025	\$ 45,047,277	\$ 11,907,919	\$ 54,477,877	\$ 1,059,912,098
Interest rate sensitive liabilities	209,653,958	475,450,515	239,708,358	64,929,743	989,742,574
Interest rate sensitivity gap	738,825,067	(430,403,238)	(227,800,439)	(10,451,866)	70,169,524
Net equity					204,918,623
Ratio of interest rate sensitive assets to liabilities					107.09%
Ratio of interest rate sensitivity gap to net equity					34.24%

December 31, 2024

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

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)**December 31, 2025**

Item	1~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Interest rate sensitive assets	\$ 8,427,300	\$ 52,768	\$ -	\$ -	\$ 8,480,068
Interest rate sensitive liabilities	4,171,508	3,423,654	632,691	192,061	8,419,914
Interest rate sensitivity gap	4,255,792	(3,370,886)	(632,691)	(192,061)	60,154
Net equity					6,523,993
Ratio of interest rate sensitive assets to liabilities					100.71%
Ratio of interest rate sensitivity gap to net equity					0.92%

December 31, 2024

Item	1~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Interest rate sensitive assets	\$ 8,366,694	\$ 87,857	\$ -	\$ -	\$ 8,454,551
Interest rate sensitive liabilities	3,932,382	3,444,223	708,203	152,882	8,237,690
Interest rate sensitivity gap	4,434,312	(3,356,366)	(708,203)	(152,882)	216,861
Net equity					6,063,251
Ratio of interest rate sensitive assets to liabilities					102.63%
Ratio of interest rate sensitivity gap to net equity					3.58%

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).

42.3.2 SCB (HK)

Interest Rate Sensitivity (USD)

December 31, 2025

Item	1~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Interest rate sensitive assets	\$ 6,864,163	\$ 546,990	\$ 693,146	\$ 1,825,412	\$ 9,929,711
Interest rate sensitive liabilities	7,746,509	730,146	599,610	580,313	9,656,578
Interest rate sensitivity gap	(882,346)	(183,156)	93,536	1,245,099	273,133
Net equity					5,282,545
Ratio of interest rate sensitive assets to liabilities					102.83%
Ratio of interest rate sensitivity gap to net equity					5.17%

December 31, 2024

Item	1~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Interest rate sensitive assets	\$ 7,096,655	\$ 643,183	\$ 478,680	\$ 1,968,055	\$ 10,186,573
Interest rate sensitive liabilities	7,354,557	886,581	468,477	514,768	9,224,383
Interest rate sensitivity gap	(257,902)	(243,398)	10,203	1,453,287	962,190
Net equity					4,951,881
Ratio of interest rate sensitive assets to liabilities					110.43%
Ratio of interest rate sensitivity gap to net equity					19.43%

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).

42.4 Profitability

The Group

Unit: %

Items		December 31, 2025	December 31, 2024
Return on total assets	Before income tax	0.75	0.69
	After income tax	0.69	0.59
Return on equity	Before income tax	6.83	6.63
	After income tax	6.24	5.66
Profit margin		31.74	28.09

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.

42.5 Maturity analysis of assets and liabilities

42.5.1 The Bank

(1) In Thousands of New Taiwan Dollars

December 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	\$ 1,140,284,376	\$ 149,814,706	\$ 99,139,317	\$ 62,437,886	\$ 82,242,288	\$ 130,039,893	\$ 616,610,286
Major cash outflow on maturity	1,457,942,198	30,250,136	73,943,660	173,010,765	166,033,397	362,514,354	652,189,886
Gap	(317,657,822)	119,564,570	25,195,657	(110,572,879)	(83,791,109)	(232,474,461)	(35,579,600)

December 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	\$ 1,158,308,026	\$ 194,906,722	\$ 75,872,963	\$ 64,806,151	\$ 78,605,971	\$ 116,816,862	\$ 627,299,357
Major cash outflow on maturity	1,471,648,619	34,001,103	51,864,437	190,920,187	198,082,293	369,928,617	626,851,982
Gap	(313,340,593)	160,905,619	24,008,526	(126,114,036)	(119,476,322)	(253,111,755)	447,375

Note: This table includes only financial assets/liabilities denominated in the NTD dollars.

(2) In Thousands of US dollars

December 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	\$ 12,952,295	\$ 2,023,300	\$ 1,287,205	\$ 892,656	\$ 627,033	\$ 8,122,101
Major cash outflow on maturity	12,902,471	2,603,995	3,424,400	2,021,541	3,164,670	1,687,865
Gap	49,824	(580,695)	(2,137,195)	(1,128,885)	(2,537,637)	6,434,236

December 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	\$ 12,554,136	\$ 1,683,776	\$ 1,029,325	\$ 837,965	\$ 652,254	\$ 8,350,816
Major cash outflow on maturity	13,002,410	3,085,667	3,085,941	2,085,109	3,212,888	1,532,805
Gap	(448,274)	(1,401,891)	(2,056,616)	(1,247,144)	(2,560,634)	6,818,011

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

42.5.2 SCB (HK)

In Thousands of US dollars

December 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	\$ 10,009,456	\$ 1,780,426	\$ 2,181,599	\$ 597,933	\$ 998,220	\$ 4,451,278
Major cash outflow on maturity	9,716,408	4,742,011	3,683,176	554,897	380,964	355,360
Gap	293,048	(2,961,585)	(1,501,577)	43,036	617,256	4,095,918

December 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	\$ 10,213,542	\$ 2,860,644	\$ 1,780,335	\$ 934,574	\$ 780,386	\$ 3,857,603
Major cash outflow on maturity	9,294,618	4,482,369	3,575,325	650,742	239,070	347,112
Gap	918,924	(1,621,725)	(1,794,990)	283,832	541,316	3,510,491

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

43. 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

	December 31, 2025	December 31, 2024		December 31, 2025	December 31, 2024
Trust Assets			Trust Liabilities		
Bank deposit	\$ 10,903,743	\$ 9,398,671	Accounts payable	\$ 294	\$ 153
Short-term investments	112,772,961	113,616,213	Depository of security payable	54,635,983	64,659,295
Net asset value of collective investment trust fund	798,200	6,547,258	Trust capital	173,443,620	174,496,334
Accounts receivable	10,401	8,478	Accumulated gain and equity	<u>148,573</u>	<u>46,650</u>
Land	33,429,635	32,279,034			
Buildings and improvement, net	89,267	121,789			
Construction in progress	15,524,265	12,509,453			
Securities in custody	54,635,983	64,659,295			
Other assets	<u>64,015</u>	<u>62,241</u>			
Total trust assets	<u>\$ 228,228,470</u>	<u>\$ 239,202,432</u>	Total trust Liabilities	<u>\$ 228,228,470</u>	<u>\$ 239,202,432</u>

Trust Asset Lists

Item	December 31, 2025	December 31, 2024
Cash in banks	\$ 10,903,743	\$ 9,398,671
Short-term investment		
Funds	64,066,535	66,488,927
Bonds	39,353,775	37,425,076
Common stocks	4,080,812	4,443,794
Structured instruments	5,091,267	5,087,736
Preferred stock	180,572	170,680
Net asset value of collective trust accounts	798,200	6,547,258
Receivables	10,401	8,478
Land	33,429,635	32,279,034
Buildings and improvement, net	89,267	121,789
Construction in progress	15,524,265	12,509,453
Depository of securities	54,635,983	64,659,295
Other assets - principal deferred expense	<u>64,015</u>	<u>62,241</u>
Total	<u>\$ 228,228,470</u>	<u>\$ 239,202,432</u>

Income Statements of Trust Account

	For the Year Ended December 31	
	2025	2024
Trust income		
Dividend income	\$ 68,979	\$ 70,183
Interest income	81,859	74,043
Donation income	1,105	299
Realized investment gains	10,559	33,806
Unrealized investment gains	124,606	317,003
Other revenue	35,308	25,560
	\$ 322,416	\$ 520,894
Trust expenses		
Tax expenditures	\$ 1,430	\$ 16,765
Management expenses	7,933	8,863
Service expenses	1,158	1,250
Realized investment losses	11,590	47
Unrealized investment losses	111,123	376,086
Donation expenses	796	585
Other expenses	3,088	2,918
	137,118	406,514
Income before income tax	185,298	114,380
Income tax expense	-	(39)
Net income	\$ 185,298	\$ 114,341

44. 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:

44.1 The Bank

	December 31, 2025			December 31, 2024		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars	Foreign Currencies	Exchange Rate	New Taiwan Dollars
Financial assets						
Cash and cash equivalents						
JPY	\$ 11,681,472	0.2005	\$ 2,342,135	\$ 21,229,026	0.2099	\$ 4,455,973
USD	59,707	31.4100	1,875,397	94,685	32.7900	3,104,721
CNY	330,335	4.4930	1,484,195	442,332	4.4790	1,981,205
Due from the Central Bank and call loans to						
USD	1,403,554	31.4100	44,085,631	777,084	32.7900	25,480,584
HKD	485,000	4.0355	1,957,218	133,000	4.2235	561,726
VND	1,310,000,000	0.0012	1,572,000	1,220,000,000	0.0013	1,586,000
Receivables						
USD	92,756	31.4100	2,913,466	47,318	32.7900	1,551,557
AUD	13,540	20.9950	284,272	34	20.3800	693
JPY	1,326,836	0.2005	266,031	3,321,376	0.2099	697,157
Discounts and loans						
USD	3,309,189	31.4100	103,941,534	3,554,727	32.7900	116,559,498
CNY	3,875,703	4.4930	17,413,534	2,763,883	4.4790	12,379,432
EUR	81,204	36.8500	2,992,367	105,255	34.1300	3,592,353
Financial assets at FVTOCI						
USD	3,471,976	31.4100	109,054,766	3,719,363	32.7900	121,957,913
AUD	1,262,616	20.9950	26,508,623	580,549	20.3800	11,831,589
EUR	189,810	36.8500	6,994,499	-	34.1300	-
Financial assets measured at amortized cost						
USD	196,034	31.4100	6,157,428	208,452	32.7900	6,835,141
AUD	100,000	20.9950	2,099,500	180,000	20.3800	3,668,400
SGD	71,571	24.4250	1,748,122	39,803	24.1200	960,048
Financial assets at FVTPL						
USD	32,780	31.4100	1,029,620	28,703	32.7900	941,171
JPY	1,321,256	0.2005	264,912	1,356,585	0.2099	284,747
EUR	989	36.8500	36,445	112	34.1300	3,816
Equity investments under the equity method						
USD	3,186,038	31.4100	100,073,454	3,010,678	32.7900	98,720,132
HKD	120,908	4.0355	487,924	110,218	4.2235	465,504
Financial liabilities						
Payables						
USD	98,906	31.4100	3,106,637	82,220	32.7900	2,695,994
JPY	1,735,880	0.2005	348,044	924,017	0.2099	193,951
CNY	26,485	4.4930	118,997	10,409	4.4790	46,622
Deposits from the central bank and other banks						
AUD	20,700	20.9950	4,345,965	-	20.3800	-
VND	1,595,000,000	0.0012	1,905,068	2,084,000,000	0.0013	2,678,565
USD	57,460	31.4100	1,804,819	350,052	32.7900	11,478,205
Deposits and remittances						
USD	8,101,357	31.4100	254,463,623	7,721,088	32.7900	253,174,476
JPY	91,650,508	0.2005	18,375,927	140,024,171	0.2099	29,391,073
CNY	3,812,626	4.4930	17,130,129	3,825,535	4.4790	17,134,571
Financial liabilities at FVTPL						
USD	103,495	31.4100	3,250,778	93,675	32.7900	3,071,603
AUD	26,699	20.9950	560,546	56	20.3800	1,148

44.2 SCB (HK)

	December 31, 2025			December 31, 2024		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars	Foreign Currencies	Exchange Rate	New Taiwan Dollars
Financial assets						
Cash and cash equivalents						
CNY	\$ 662,715	4.4930	\$ 2,977,578	\$ 734,533	4.4790	\$ 3,289,973
USD	38,809	31.4100	1,218,991	28,528	32.7900	935,433
JPY	1,633,983	0.2005	327,614	4,263,240	0.2099	894,854
Due from the Central Bank and call loans to						
USD	3,365,221	31.4100	105,701,592	3,601,594	32.7900	118,096,267
CNY	4,272,115	4.4930	19,194,613	5,881,190	4.4790	26,341,850
Receivables						
USD	31,274	31.4100	982,316	41,838	32.7900	1,371,868
CNY	4,655	4.4930	20,915	9,781	4.4790	43,809
Discounts and loans						
USD	2,394,345	31.4100	75,206,376	3,205,673	32.7900	105,114,018
CNY	3,519,376	4.4930	15,812,556	3,940,043	4.4790	17,647,453
GBP	302,818	42.2600	12,797,089	361,209	41.1600	14,867,362
Financial liabilities						
Payables						
USD	20,585	31.4100	646,575	14,261	32.7900	467,618
CNY	7,801	4.4930	35,050	5,556	4.4790	24,885
Deposits from the central bank and other banks						
CNY	1,352,266	4.4930	6,075,731	1,425,381	4.4790	6,384,281
USD	158,150	31.4100	4,967,492	318,564	32.7900	10,445,714
AUD	220,000	20.9950	4,618,900	241,192	20.3800	4,915,493
Deposits and remittances						
USD	9,137,034	31.4100	286,994,238	8,545,108	32.7900	280,194,091
CNY	7,364,923	4.4930	33,090,599	9,931,061	4.4790	44,481,222

45. ADDITIONAL DISCLOSURES

45.1 Information of significant transaction items and 45.2 Other business investment is as follows:

45.1.1 Financing provided: Table 2.

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

45.1.3 Marketable securities held: Table 3.

45.1.4 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: Table 4.

45.1.5 Acquisition of individual real estate at costs of at least \$300 million or 10% of the issued capital: Table 5.

45.1.6 Disposal of individual real estate at prices of at least \$300 million or 10% of the issued capital: Table 6.

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

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

45.1.9 Sale of non-performing loans: Table 7.

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

- 45.1.11 Other significant transactions which may have effects on decision making of financial statement users: None.
- 45.1.12 Names, locations, and other information of investees on which the Bank exercises significant influence: Table 8.
- 45.1.13 Derivative financial transactions: Note 9 on which the Bank exercises significant influence has no such transactions.
- 45.1.14 Securities acquired and disposed of, as costs or prices of at least NT300 million or 10% of the issued capital: None.

45.3 Investments in Mainland China:

- 45.3.1 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 9.
- 45.3.2 Significant direct or indirect transactions with the investees, prices and terms of payment, unrealized gain or loss: None.

45.4 Significant transactions and the amount among the parent and its subsidiaries: Table 10.

45.5 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: None.

46. 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 Year Ended December 31, 2025				
	Taiwan	Hong Kong	Others	Other Adjustments	Total
Net interest income	\$ 17,629,729	\$ 17,329,966	\$ 1,838,615	\$ 31	\$ 36,798,341
Non-interest income	8,270,858	7,873,118	376,530	(14,517)	16,505,989
Net revenue	25,900,587	25,203,084	2,215,145	(14,486)	53,304,330
Provisions for bad-debt expense, commitment and guarantee liability	(1,804,172)	(11,178,788)	(1,145,525)	-	(14,128,485)
Operating expenses	(9,985,610)	(9,007,636)	(1,651,099)	(13,458)	(20,657,803)
Profit before income tax	\$ 14,110,805	\$ 5,016,660	(\$ 581,479)	(\$ 27,944)	\$ 18,518,042

For the Year Ended December 31, 2024

	Taiwan	Hong Kong	Others	Other Adjustments	Total
Net interest income	\$ 19,029,637	\$ 17,726,298	\$ 1,949,916	\$ 1	\$ 38,705,852
Non-interest income	<u>7,017,190</u>	<u>5,363,941</u>	<u>332,695</u>	<u>(15,703)</u>	<u>12,698,123</u>
Net revenue	26,046,827	23,090,239	2,282,611	(15,702)	51,403,975
Provisions for bad-debt expense, commitment and guarantee liability	(2,605,898)	(12,126,767)	(444,698)	-	(15,177,363)
Operating expenses	<u>(9,832,020)</u>	<u>(7,750,847)</u>	<u>(1,710,145)</u>	<u>(5,942)</u>	<u>(19,298,954)</u>
Profit before income tax	<u>\$ 13,608,909</u>	<u>\$ 3,212,625</u>	<u>\$ 127,768</u>	<u>(\$ 21,644)</u>	<u>\$ 16,927,658</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.

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

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

Date		December 31, 2025					December 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)
Corporate banking	Secured	\$ 3,914,921	\$ 298,123,194	1.31	\$ 3,987,771	101.86	\$ 1,266,590	\$ 298,278,932	0.42	\$ 3,404,233	268.77
	Unsecured	145,052	241,908,429	0.06	2,434,666	1,678.48	182,754	245,978,450	0.07	2,520,594	1,379.23
Consumer banking	Mortgage (Note 4)	528,937	329,338,744	0.16	4,994,255	944.21	667,686	314,694,197	0.21	4,939,240	739.75
	Cash cards	-	-	-	-	-	-	-	-	-	-
	Microcredit (Note 5)	8,310	3,253,756	0.26	33,430	402.29	14,735	3,439,961	0.43	39,302	266.73
	Others (Note 6)	Secured	92,611	36,675,849	0.25	376,707	406.76	124,000	36,294,913	0.34	404,209
Unsecured		-	-	-	-	-	-	-	-	-	-
Total		4,689,831	909,299,972	0.52	11,826,829	252.18	2,255,765	898,686,453	0.25	11,307,578	501.27
		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		8,471	3,325,641	0.25	53,220	628.26	9,313	3,320,790	0.28	50,304	540.15
Accounts receivable factored without recourse (Note 7)		-	266,318	-	3,249	-	-	228,353	-	2,284	-

Note 1: Overdue loans represent the amounts of overdue 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-acrued Loans." Overdue credit card receivables represent the amounts of overdue 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 NPL: Non-performing loans ÷ Outstanding loan balance.
Ratio of delinquency: Non-performing receivables ÷ Outstanding receivables balance.

Note 3: Coverage ratio of loans: Allowance for possible losses on loans ÷ Non-performing loans.
Coverage ratio of receivables: Allowance for possible losses on receivables ÷ Non-performing receivables.

Note 4: 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: Microcredit, 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 mortgage, cash card, microcredit and credit card.

Note 7: As required by the Banking Bureau's letter dated July 19, 2005 (Ref. No. 0945000494), factoring without recourse is disclosed as non-performing receivables in three months after the factors or insurance companies reject indemnification.

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

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

	December 31, 2025		December 31, 2024	
	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)	-	32,987	-	32,588

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. 10500134690).

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

**LOANS AND OTHER INFORMATION
DECEMBER 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.	Shanghai New Feihong Enterprise Co., Ltd.	Entrusted loan receivables	N/A	\$ 80,874	\$ 134,790	\$ -	6%~11%	1	\$ -	-	\$ -	Real estate	\$ 270,928	\$ 387,719	\$ 969,298

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.

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

**MARKETABLE SECURITIES HELD
DECEMBER 31, 2025
(Amounts in Thousands of New Taiwan Dollars)**

Holding Company Name	Name	Security Issuer's Relationship with Holding Company	Financial Statement Account	December 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	\$ 22,450	100.00	\$ 22,450	Note
	Krinein Company	Indirect subsidiary	Investments in subsidiaries	2	32,963	100.00	32,963	Note
	Safehaven Investment Corporation	Indirect subsidiary	Investments in subsidiaries	1	58,299	100.00	58,299	Note
	Shanghai Commercial & Savings Bank, Ltd.	The Bank	Financial assets measured at FVTOCI	11,370	461,607	0.23	461,607	
Wresqueue Limitada	Prosperity Realty Inc.	Indirect subsidiary	Investments in subsidiaries	4	44,354	100.00	44,354	Note
China Travel Service (Taiwan)	Silks Place Taroko	-	Equity investments under	20,372	181,483	45.00	181,483	
	CTS Travel International Ltd.	Indirect subsidiary	Investments in subsidiaries	600	7,025	100.00	7,025	Note
	Joy Tour Service Co., Ltd.	-	Financial assets measured at FVTOCI	100	1,000	11.00	1,000	
	Shanghai Commercial & Savings Bank, Ltd.	The Bank	Financial assets measured at FVTOCI	27	1,129	-	1,129	
SCSB Asset Management Ltd.	SCSB Leasing (China) Co., Ltd.	Indirect subsidiary	Investments in subsidiaries	N/A	973,520	100.00	973,520	Note
Krinein Company	Shanghai Commercial Bank (HK)	Indirect subsidiary	Investments in subsidiaries	1,920	15,845,827	9.60	15,845,827	Note
Empresa Inversiones Generales, S.A.	Shanghai Commercial Bank (HK)	Indirect subsidiary	Investments in subsidiaries	9,600	79,229,137	48.00	79,229,137	Note

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

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

**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
FOR THE YEAR ENDED DECEMBER 31, 2025
(Amounts in Thousands of Hong Kong Dollars)**

Trading company	Name	Financial Statement Account	Counterparty	Relationship	Beginning		Buy		Sell				Ending	
					Shares	Amount	Shares	Amount	Shares	Price	Book Value	Disposal Profit and Loss	Shares	Amount
The Shanghai Commercial Bank, Ltd.	Unlisted ordinary shares Hong Kong Life Insurance Company Limited	Assets for Sale	Yuexiu Insurance (Holdings) Limited	Non-related party	145,000,000	246,010	-	-	145,000,000	294,667	246,010	48,657	-	-

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 YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

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

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

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

Seller	Property	Event Date (Note1)	Acquisition Date	Carrying Amount	Transaction Amount (Note2)	Payment Status	Disposal Gain or Loss (Note 3)	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\$ 740,684	HK\$ 1,126,312	Payment schedule is according to the terms of the contract	HK\$ 350,067	Eligible persons, persons or companies aged 18 or above who hold a valid Hong Kong Identity Card and a valid passport	Note3	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 130 residential units that were contracted and transferred between January 1, 2025 and December 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.

Note 4: The sale of Room E on the 19th floor of the 73 residential units to Mr. Rong Zhiquan, a director of The Shanghai Commercial & Savings Bank has not yet been completed and was announced on August 20, 2025. 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 YEAR ENDED DECEMBER 31, 2025
(Amounts in Thousands of US Dollars)**

Transaction Date	Seller	Trading Partners	Debt Components	Book Value	Selling Price (Note)	Disposal(loss)	With agree conditions	The relationship between the transaction object and the Bank
2025/1/30	The Shanghai Commerical & Savings Bank and The Shanghai Commercial Bank	A Co., Ltd	Loan Claims	-	-	-	In accordance with the terms of the debt assignment agreement	Non-related party
2025/9/30	The Shanghai Commercial Bank	CIRRUS REAL ESTATE FUNDING LLC	Loan Claims (Business accounts, guarantors)	-	-	-	In accordance with the terms of the debt assignment agreement	Non-related party

Note: The principal amounts of the debt as of January 30 and September 30, 2025 were US\$20,030,000 and US\$317,163,000 respectively. For related information, please refer to the Taiwan Stock Exchange Market Observation Station website on January 17, February 2, and October 1, 2025.

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

TABLE 8

RELATED INFORMATION OF INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2025
(Amounts in Thousands of New Taiwan Dollars) (Share in Thousands)

Unit: NTD thousand / thousand shares

Investee Company	Location	Main Businesses and Products	Percentage of Ownership (%)	Carrying Amount	Investment Income (Loss) Recognized	Consolidated Investment (Note 2)				Note
						Shares (In Thousands)	Shares (Pro forma)	Shares (In Thousands)	Percentage of Ownership (%)	
Financial business										
SCSB Asset Management Ltd.	Taiwan	Purchase and management of creditor's rights of financial institutions	100.00	\$ 1,745,299	\$ 42,992	160,000	-	160,000	100.00	
Paofong Insurance Company Ltd.	Hong Kong	Insurance	40.00	487,926	43,293	500	-	500	100.00	
Shanghai Commercial Bank (HK)	Hong Kong	Banking and financial	57.60	95,074,965	2,812,043	11,520	-	11,520	57.60	
SCSB Leasing (China) Co., Ltd.	China	Leasing operation	100.00	973,520	4,073	N/A	-	N/A	100.00	
AMK Microfinance Institution Plc.	Cambodia	Microfinance institution	99.99	5,221,564	(509,425)	10,946	-	10,946	99.99	
Non-financial business										
China Travel Service (Taiwan)	Taiwan	Travel services	99.99	370,636	(29,824)	38,943	-	38,943	99.99	
SCSB Marketing Ltd.	Taiwan	Marketing	100.00	9,552	1,694	500	-	500	100.00	
Kuo Hai Real Estate Management	Taiwan	Building material distribution	30.00	-	-	3,000	-	3,000	30.00	
Shancom Reconstruction AG	Switzerland	Securities investment	100.00	94,443,237	2,801,925	15	-	15	100.00	
Wresqueue Limitada	Liberia	Securities investment	100.00	410,290	8,259	176	-	176	100.00	
Empresa Inversiones Generales, S.A.	Panama	Securities investment	100.00	22,450	(28)	1	-	1	100.00	
Krinein Company	Cayman Islands	Securities investment	100.00	32,963	1,048	2	-	2	100.00	
Safehaven Investment Corporation	Liberia	Securities investment	100.00	58,299	2,250	1	-	1	100.00	
Prosperity Realty Inc.	USA	Real estate services	100.00	44,354	(1,048)	4	-	4	100.00	
Silks Place Taroko	Taiwan	Travel services	45.00	181,483	(26,510)	20,372	-	20,372	45.00	
CTS Travel International Ltd.	Taiwan	Travel services	100.00	7,025	3	600	-	600	100.00	

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

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

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

**INVESTMENT IN MAINLAND CHINA
DECEMBER 31, 2025**

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

1. Investee company name, main business and products, total amount of paid-in capital, investment type, investment outflows and inflows, % ownership, investment gain (loss), carrying amount as of December 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, 2025	Investment Flows		Accumulated Outflow of Investment as of December 31, 2024	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2025 (Note 3)	Accumulated Inward Remittance of Earnings as of December 31, 2025
					Outflow	Inflow					
SCSB Leasing (China) Co., Ltd.	Leasing operation	\$ 942,300 US\$ 30,000	Note 1 (3)	\$ 942,300 US\$ 30,000	\$ - US\$ -	\$ - US\$ -	\$ 942,300 US\$ 30,000	100%	\$ 4,073 US\$ 131	\$ 973,520 US\$ 30,994	\$ - -
Bank of Shanghai	Banking business approved by local government	63,841,037 US\$ 2,032,507	Note 4	3,541,258 US\$ 112,743	- US\$ -	- US\$ -	3,541,258 US\$ 112,743	3%	- US\$ -	19,362,730 US\$ 616,451	- -
Shanghai Commercial Bank Ltd. - Shenzhen Branch	Banking business approved by local government	3,142,256 US\$ 100,358	Note 4	2,006,879 US\$ 63,893	- US\$ -	- US\$ -	2,006,879 US\$ 63,893	100%	(324,175) (US\$ 10,399)	2,979,319 US\$ 94,853	- -
Shanghai Commercial Bank Ltd. - Shanghai Branch	Banking business approved by local government	3,418,356 US\$ 108,830	Note 4	2,032,761 US\$ 64,717	- US\$ -	- US\$ -	2,032,761 US\$ 64,717	100%	(632,443) (US\$ 20,289)	3,519,276 US\$ 112,043	- -
The Shanghai Commercial & Savings Bank, Ltd. - Wuxi Branch	Banking business approved by local government	2,723,467 US\$ 86,707	Note 1 (1)	2,723,467 US\$ 86,707	- US\$ -	- US\$ -	2,723,467 US\$ 86,707	100%	54,981 US\$ 1,764	2,923,247 US\$ 93,067	- -

2. Upper limit on investments in mainland China:

Accumulated Investment in Mainland China as of December 31, 2025 (Note 3)		Investment Amounts Authorized by Investment Commission, MOEA (Note 3)		Upper Limit on Investment Authorized by Investment Commission MOEA
\$ 11,246,665	US\$ 358,060	\$ 12,003,133	US\$ 382,144	\$ 165,198,584

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

- (a) Directly invest.
- (b) Invest indirectly via a third company.
- (c) Others.

Note 2: Except for SCSB Leasing (China) Co., Ltd., the financial report audited by the accounting firm associated with the parent company in Taiwan.

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

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

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 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
0	The Shanghai Commercial & Savings Bank, Ltd.	SCSB Asset Management Ltd.	From parent company to subsidiary	Accounts payable	\$ 3	Note 4	-
0	The Shanghai Commercial & Savings Bank, Ltd.	SCSB Asset Management Ltd.	From parent company to subsidiary	Deposits and remittances	17,803	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	159	Note 4	-
0	The Shanghai Commercial & Savings Bank, Ltd.	SCSB Asset Management Ltd.	From parent company to subsidiary	Other non-interest income	998	Note 4	-
0	The Shanghai Commercial & Savings Bank, Ltd.	SCSB Marketing	From parent company to subsidiary	Accounts payable	9,060	Note 4	-
0	The Shanghai Commercial & Savings Bank, Ltd.	SCSB Marketing	From parent company to subsidiary	Deposits and remittances	13,984	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	182	Note 4	-
0	The Shanghai Commercial & Savings Bank, Ltd.	SCSB Marketing	From parent company to subsidiary	Other non-interest income	82	Note 4	-
0	The Shanghai Commercial & Savings Bank, Ltd.	SCSB Marketing	From parent company to subsidiary	Other non-interest income	96,279	Note 4	-
0	The Shanghai Commercial & Savings Bank, Ltd.	China Travel Service (Taiwan)	From parent company to subsidiary	Accounts payable	576	Note 4	-
0	The Shanghai Commercial & Savings Bank, Ltd.	China Travel Service (Taiwan)	From parent company to subsidiary	Deposits and remittances	184,876	Note 4	0.01%
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	2,562	Note 4	-
0	The Shanghai Commercial & Savings Bank, Ltd.	China Travel Service (Taiwan)	From parent company to subsidiary	Other non-interest income	720	Note 4	-
0	The Shanghai Commercial & Savings Bank, Ltd.	China Travel Service (Taiwan)	From parent company to subsidiary	Other general and administrative expenses	2,458	Note 4	-
0	The Shanghai Commercial & Savings Bank, Ltd.	CTS Travel International Ltd.	From parent company to subsidiary	Accounts payable	28	Note 4	-
0	The Shanghai Commercial & Savings Bank, Ltd.	CTS Travel International Ltd.	From parent company to subsidiary	Deposits and remittances	5,023	Note 4	-
0	The Shanghai Commercial & Savings Bank, Ltd.	CTS Travel International Ltd.	From parent company to subsidiary	Interest expenses	105	Note 4	-
0	The Shanghai Commercial & Savings Bank, Ltd.	Shancom Reconstruction AG	From parent company to subsidiary	Cash and cash equivalents	220,353	Note 4	0.01%
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	115,160	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
0	The Shanghai Commercial & Savings Bank, Ltd.	Shancom Reconstruction AG	From parent company to subsidiary	Accounts payable	\$ 236	Note 4	-
0	The Shanghai Commercial & Savings Bank, Ltd.	Shancom Reconstruction AG	From parent company to subsidiary	Deposits and remittances	73,377	Note 4	-
0	The Shanghai Commercial & Savings Bank, Ltd.	Shancom Reconstruction AG	From parent company to subsidiary	Interest expenses	3,143	Note 4	-
0	The Shanghai Commercial & Savings Bank, Ltd.	AMK Microfinance Institution Plc.	From parent company to subsidiary	Discount and loans	1,758,960	Note 4	0.07%
0	The Shanghai Commercial & Savings Bank, Ltd.	AMK Microfinance Institution Plc.	From parent company to subsidiary	Interest revenue	109,814	Note 4	-
1	SCSB Asset Management Ltd.	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Cash and cash equivalents	17,803	Note 4	-
1	SCSB Asset Management Ltd.	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Accounts receivable	3	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	159	Note 4	-
1	SCSB Asset Management Ltd.	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Other general and administrative expenses	986	Note 4	-
1	SCSB Asset Management Ltd.	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Right-of-use assets	1,479	Note 4	-
1	SCSB Asset Management Ltd.	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Lease liabilities	1,495	Note 4	-
1	SCSB Asset Management Ltd.	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Interest expenses	27	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	13,984	Note 4	-
2	SCSB Marketing	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Accounts receivable	9,060	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	182	Note 4	-
2	SCSB Marketing	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Other general and administrative expenses	83	Note 4	-
2	SCSB Marketing	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Right-of-use assets	313	Note 4	-
2	SCSB Marketing	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Lease liabilities	314	Note 4	-
2	SCSB Marketing	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Interest expenses	3	Note 4	-
2	SCSB Marketing	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Other non-interest income	96,279	Note 4	-
3	China Travel Service (Taiwan)	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Accounts receivable	576	Note 4	-
3	China Travel Service (Taiwan)	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Cash and cash equivalents	184,876	Note 4	0.01%
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	2,562	Note 4	-
3	China Travel Service (Taiwan)	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Other general and administrative expenses	720	Note 4	-
3	China Travel Service (Taiwan)	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Other non-interest income	2,458	Note 4	-
3	China Travel Service (Taiwan)	Shancom Reconstruction AG	From subsidiary to subsidiary	Cash and cash equivalents	106	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
4	CTS Travel International Ltd.	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Accounts receivable	\$ 28	Note 4	-
4	CTS Travel International Ltd.	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Cash and cash equivalents	5,023	Note 4	-
4	CTS Travel International Ltd.	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Interest revenue	105	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	220,353	Note 4	0.01%
5	Shancom Reconstruction AG	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Cash and cash equivalents	73,377	Note 4	-
5	Shancom Reconstruction AG	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Accounts receivable	236	Note 4	-
5	Shancom Reconstruction AG	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Cash and cash equivalents	115,160	Note 4	-
5	Shancom Reconstruction AG	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Interest revenue	3,143	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	106	Note 4	-
6	AMK Microfinance Institution Plc.	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Call loans to banks	1,758,960	Note 4	0.07%
6	AMK Microfinance Institution Plc.	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Interest expenses	109,814	Note 4	-

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.