

Stock code: 5876  
Taiwan Stock Exchange

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

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

**Address: 2, Sec.1, Min Quan E. Rd., Taipei, Taiwan  
Telephone: 886-2-2581-7111**

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## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

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

### ***Opinion***

We have audited the accompanying consolidated balance sheets of The Shanghai Commercial & Savings Bank, Ltd. (the “Bank”) and its subsidiaries (collectively referred to as the “Group”) as at June 30, 2025, December 31, 2024 and June 30, 2024, and the related consolidated statements of comprehensive income for the three months and six months periods ended June 30, 2025 and 2024, as well as the consolidated statements of changes in equity and of cash flows for the six months periods ended June 30, 2025 and 2024, 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 June 30, 2025, December 31, 2024 and June 30, 2024, and its consolidated financial performance for the three months and six months periods ended June 30, 2025 and 2024, and its consolidated cash flows for the six months periods ended June 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

### ***Basis for opinion***

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Jin-Guan-Yin-Fa-Zi Letter No.10802731571 and Standards on Auditing of Taiwan. Our responsibilities under those standards are further described in the Auditors’ responsibilities for the audit of the 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 Taiwan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Key audit matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. 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 consolidated financial statements of the current period 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 reports***

We have audited and expressed an unqualified opinion on the parent company only financial statements of the Bank as at and for the six months ended June 30, 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 International Accounting Standard 34, “Interim Financial Reporting” 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 Taiwan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the 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 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  
August 15, 2025

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

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

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

Codes	ASSETS	NOTES	June 30, 2025		December 31, 2024		June 30, 2024	
			Amount	%	Amount	%	Amount	%
11000	Cash and cash equivalents	6	\$ 38,705,938	2	\$ 38,522,816	2	\$ 47,719,685	2
11500	Due from the Central Bank and call loans to banks	7	383,632,017	16	432,246,360	17	414,832,075	17
12000	Financial assets measured at fair value through profit or loss	8	8,374,294	-	5,569,510	-	9,336,184	-
12100	Financial assets measured at fair value through other comprehensive income	9 and 11	468,812,161	20	475,245,104	19	418,842,710	17
12200	Investments in debt instruments measured at amortized cost	10 and 11	212,375,654	9	235,146,758	10	239,852,440	10
12500	Securities purchased under resell agreements	12	17,213,801	1	8,408,560	-	12,680,454	1
13000	Receivables, net	13	31,140,572	1	24,748,669	1	24,243,735	1
13200	Current income tax assets	34	468,523	-	185,113	-	259,821	-
13300	Assets held for sale, net	16	917,944	-	1,039,030	-	-	-
13500	Discounts and loans, net	14	1,149,464,781	49	1,221,016,517	49	1,228,136,707	50
15000	Investments under the equity method, net	16	1,493,350	-	1,559,287	-	2,494,880	-
15500	Other financial assets, net	17	5,686	-	1,872	-	7,880	-
18500	Properties, net	18	23,378,731	1	24,190,840	1	23,891,259	1
18600	Right-of-use assets, net	19	1,664,319	-	1,854,237	-	2,065,501	-
18700	Investment properties, net	20	5,277,506	-	7,978,542	-	7,743,559	-
19000	Intangible assets, net	21	1,932,728	-	2,194,494	-	2,239,859	-
19300	Deferred income tax assets	34	5,123,756	-	4,936,259	-	4,709,463	-
19500	Other assets, net	22	13,120,330	1	11,218,943	1	11,242,886	1
10000	Total assets		<u>\$ 2,363,102,091</u>	<u>100</u>	<u>\$ 2,496,062,911</u>	<u>100</u>	<u>\$ 2,450,299,098</u>	<u>100</u>
<b>Codes</b>	<b>LIABILITIES AND EQUITY</b>							
21000	Deposits from the central bank and other banks	23	\$ 44,051,680	2	\$ 44,597,026	2	\$ 34,105,998	2
22000	Financial liabilities measured at fair value through profit or loss	8	6,924,579	-	5,825,908	-	6,409,318	-
22500	Securities sold under repurchase agreements	24	3,955,500	-	4,783,153	-	7,929,084	-
23000	Payables	25	44,913,832	2	36,432,169	2	49,823,239	2
23200	Current income tax liabilities	34	1,892,351	-	956,186	-	2,345,619	-
23500	Deposits and remittances	26	1,925,518,369	82	2,046,220,040	82	2,005,053,092	82
24000	Bank debentures	27	57,483,838	2	59,591,987	2	63,517,708	3
25500	Other financial liabilities	28	11,427,196	1	9,981,110	1	8,491,277	-
25600	Provisions	29	3,042,189	-	3,242,924	-	3,227,871	-
26000	Lease liabilities	19	1,676,268	-	1,878,459	-	2,085,305	-
29300	Deferred income tax liabilities	34	7,155,162	-	9,973,427	-	10,651,809	1
29500	Other liabilities	30	3,619,108	-	5,695,512	-	4,076,940	-
20000	Total liabilities		<u>2,111,660,072</u>	<u>89</u>	<u>2,229,177,901</u>	<u>89</u>	<u>2,197,717,260</u>	<u>90</u>
	Equity	32						
	Equity attributable to owners of the Bank							
	Share capital							
31101	Ordinary shares		<u>48,616,031</u>	<u>2</u>	<u>48,616,031</u>	<u>2</u>	<u>48,616,031</u>	<u>2</u>
31500	Capital surplus		<u>27,705,927</u>	<u>1</u>	<u>27,705,927</u>	<u>1</u>	<u>27,548,445</u>	<u>1</u>
	Retained earnings							
32001	Legal reserve		68,680,295	3	64,476,033	3	64,476,033	3
32003	Special reserve		7,669,374	1	7,669,374	-	7,669,374	-
32005	Unappropriated earnings		<u>30,569,969</u>	<u>1</u>	<u>39,833,861</u>	<u>2</u>	<u>31,921,988</u>	<u>1</u>
	Total retained earnings		<u>106,919,638</u>	<u>5</u>	<u>111,979,268</u>	<u>5</u>	<u>104,067,395</u>	<u>4</u>
32500	Other equity		<u>4,152,940</u>	<u>-</u>	<u>9,710,581</u>	<u>-</u>	<u>7,079,762</u>	<u>-</u>
32600	Treasury shares		<u>( 83,144)</u>	<u>-</u>	<u>( 83,144)</u>	<u>-</u>	<u>( 83,144)</u>	<u>-</u>
	Total equity attributable to owners of the Bank		187,311,392	8	197,928,663	8	187,228,489	7
38000	Non-controlling interests		<u>64,130,627</u>	<u>3</u>	<u>68,956,347</u>	<u>3</u>	<u>65,353,349</u>	<u>3</u>
30000	Total equity		<u>251,442,019</u>	<u>11</u>	<u>266,885,010</u>	<u>11</u>	<u>252,581,838</u>	<u>10</u>
	Total liabilities and equity		<u>\$ 2,363,102,091</u>	<u>100</u>	<u>\$ 2,496,062,911</u>	<u>100</u>	<u>\$ 2,450,299,098</u>	<u>100</u>

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

**THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES**  
**Consolidated Statements of Comprehensive Income**  
**For the Three Months Ended June 30, 2025 and 2024, and Six Months Ended June 30, 2025 and 2024**  
(Expressed in Thousands of New Taiwan Dollars)

Codes	Items	Notes	For the Three Months Ended June 30				For the Six Months Ended June 30			
			2025		2024		2025		2024	
			Amount	%	Amount	%	Amount	%	Amount	%
41000	Interest income		\$ 19,063,969	135	\$ 19,795,991	155	\$ 39,611,071	142	\$ 41,103,674	163
51000	Interest expenses		( 10,154,133)	( 72)	( 10,720,423)	( 84)	( 21,124,953)	( 76)	( 22,636,225)	( 90)
49010	Net interest income	33	<u>8,909,836</u>	<u>63</u>	<u>9,075,568</u>	<u>71</u>	<u>18,486,118</u>	<u>66</u>	<u>18,467,449</u>	<u>73</u>
	Non-interest income									
49100	Service fee income, net	33	2,024,113	15	1,660,720	13	4,231,192	15	3,511,143	14
49200	Gain (loss) on financial assets and liabilities measured at fair value through profit or loss	33	328,733	2	( 1,431,876)	( 11)	730,219	3	( 3,299,334)	( 13)
49310	Realized gain on financial assets measured at fair value through other comprehensive income	33	1,545,658	11	1,638,903	13	1,925,459	7	2,106,971	9
49450	Gain on financial assets measured at amortized cost		9,593	-	9,084	-	68,116	-	50,649	-
49600	Foreign exchange gain, net		433,929	3	1,611,917	12	634,559	2	3,801,366	15
49700	Impairment (loss) reversal gain on assets	11	22,237	-	46,486	-	8,655	-	46,800	-
49750	Proportionate share of profit of associates under the equity method	16	60,365	1	73,793	1	152,116	1	152,625	1
49800	Other non-interest income, net		144,737	1	131,522	1	269,872	1	319,909	1
49815	Gain on investment properties		<u>579,487</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>1,377,500</u>	<u>5</u>	<u>-</u>	<u>-</u>
	Total non-interest income		<u>5,148,852</u>	<u>37</u>	<u>3,740,549</u>	<u>29</u>	<u>9,397,688</u>	<u>34</u>	<u>6,690,129</u>	<u>27</u>
4xxxx	Consolidated net revenue		<u>14,058,688</u>	<u>100</u>	<u>12,816,117</u>	<u>100</u>	<u>27,883,806</u>	<u>100</u>	<u>25,157,578</u>	<u>100</u>
58200	Provisions for bad-debt expense, commitment and guarantee liability	14	( 5,841,893)	( 42)	( 7,162,667)	( 56)	( 7,350,038)	( 26)	( 7,861,346)	( 31)
	Operating expenses									
58500	Employee benefits	33	( 3,069,303)	( 22)	( 2,762,496)	( 22)	( 6,313,356)	( 23)	( 5,681,001)	( 23)
59000	Depreciation and amortization	33	( 512,124)	( 3)	( 439,831)	( 3)	( 1,028,579)	( 4)	( 928,361)	( 4)
59500	Other general and administrative		( 1,554,626)	( 11)	( 1,368,717)	( 11)	( 3,085,170)	( 11)	( 2,896,219)	( 11)
58400	Total operating expenses		( 5,136,053)	( 36)	( 4,571,044)	( 36)	( 10,427,105)	( 38)	( 9,505,581)	( 38)
61001	Profit before income tax		3,080,742	22	1,082,406	8	10,106,663	36	7,790,651	31
61005	Income tax income (expense)	34	<u>76,080</u>	<u>-</u>	( 320,783)	( 2)	( 1,049,253)	( 4)	( 1,759,395)	( 7)
64000	Consolidated net income		<u>\$ 3,156,822</u>	<u>22</u>	<u>\$ 761,623</u>	<u>6</u>	<u>\$ 9,057,410</u>	<u>32</u>	<u>\$ 6,031,256</u>	<u>24</u>
	Other comprehensive income (loss)									
	Items that will not be reclassified subsequently to profit or loss:									
65201	Defined benefit plan remeasurements	31	(\$ 1,218)	-	\$ 2,234	-	(\$ 625)	-	\$ 2,234	-
65204	(Loss) gain on investments in equity instruments measured at fair value through other comprehensive income	9	( 844,362)	( 6)	1,407,902	11	( 1,289,441)	( 5)	4,484,055	18
65205	Financial liabilities designated at FVTPL which the amount of change derived from credit risk	8	137	-	( 1,819)	-	( 45)	-	( 217)	-
65206	Proportionate share of other comprehensive income of associates under the equity method	16	( 1,413)	-	( 14,530)	-	5,392	-	30,548	-
65220	Income tax relating to items that will not be reclassified subsequently to profit or loss	34	( 37,511)	-	41,905	-	( 65,746)	-	( 1,136)	-
	Items that may be reclassified subsequently to profit or loss:									
65301	Exchange differences on translating foreign operations		( 22,719,569)	( 162)	2,454,144	19	( 20,687,232)	( 74)	8,452,421	34
65306	Share of the other comprehensive income of associates accounted for using the equity method	16	-	-	4,313	-	-	-	65,003	-
65309	Gain (loss) on debt instruments measured at fair value through other comprehensive income	9	2,529,008	18	( 51,409)	-	4,403,107	16	( 194,818)	( 1)
65310	Loss allowance for debt instruments measured at fair value through other comprehensive income	11	( 19,697)	-	( 42,506)	-	( 13,118)	-	( 41,312)	-
65320	Income tax relating to items that may be reclassified subsequently to profit or loss	34	<u>2,326,724</u>	<u>17</u>	( 373,044)	( 3)	<u>1,900,577</u>	<u>7</u>	( 1,089,724)	( 4)
65000	Other comprehensive income for the period, net of income tax		<u>(\$ 18,767,901)</u>	<u>( 133)</u>	<u>\$ 3,427,190</u>	<u>27</u>	<u>(\$ 15,747,131)</u>	<u>( 56)</u>	<u>\$ 11,707,054</u>	<u>47</u>
66000	Total comprehensive income for the period		<u>(\$ 15,611,079)</u>	<u>( 111)</u>	<u>\$ 4,188,813</u>	<u>33</u>	<u>(\$ 6,689,721)</u>	<u>( 24)</u>	<u>\$ 17,738,310</u>	<u>71</u>
	Net profit attributable to:									
67101	Owners of the Bank		\$ 3,137,005	22	\$ 1,468,332	11	\$ 7,804,075	28	\$ 5,802,861	23
67111	Non-controlling interests		<u>19,817</u>	<u>-</u>	( 706,709)	( 5)	<u>1,253,335</u>	<u>4</u>	<u>228,395</u>	<u>1</u>
67100			<u>\$ 3,156,822</u>	<u>22</u>	<u>\$ 761,623</u>	<u>6</u>	<u>\$ 9,057,410</u>	<u>32</u>	<u>\$ 6,031,256</u>	<u>24</u>
	Total comprehensive income attributable to:									
67301	Owners of the Bank		(\$ 7,740,004)	( 55)	\$ 3,242,111	25	(\$ 1,866,385)	( 7)	\$ 12,662,331	51
67311	Non-controlling interests		( 7,871,075)	( 56)	<u>946,702</u>	<u>8</u>	( 4,823,336)	( 17)	<u>5,075,979</u>	<u>20</u>
67300			<u>(\$ 15,611,079)</u>	<u>( 111)</u>	<u>\$ 4,188,813</u>	<u>33</u>	<u>(\$ 6,689,721)</u>	<u>( 24)</u>	<u>\$ 17,738,310</u>	<u>71</u>
	Earnings per share	35								
67500	Basic		<u>\$ 0.65</u>		<u>\$ 0.31</u>		<u>\$ 1.61</u>		<u>\$ 1.20</u>	
67700	Diluted		<u>\$ 0.65</u>		<u>\$ 0.31</u>		<u>\$ 1.61</u>		<u>\$ 1.20</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 Six Months Ended June 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

		Equity Attributable to Owners of the Bank											
		Share Capital		Retained Earnings			Other Equity						
							Exchange Differences on Translating Foreign Operations	Change in Financial Assets at FVTOCI	Change in Credit Risk From Financial Liabilities Designated at FVTPL	Treasury Shares	Total Equity Attributable to Owners of the Bank	Non-controlling Interests	Total Equity
Codes		Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings							
For the six months ended June 30, 2024													
A1	Balance on January 1, 2024	\$ 48,616,031	\$ 27,548,445	\$ 64,476,033	\$ 13,252,879	\$ 28,987,035	(\$ 421,695)	\$ 945,607	(\$ 4,147)	(\$ 83,144)	\$ 183,317,044	\$ 60,279,352	\$ 243,596,396
D1	Net profit for the six months ended June 30, 2024	-	-	-	-	5,802,861	-	-	-	-	5,802,861	228,395	6,031,256
D3	Other comprehensive income (loss) for the six months ended June 30, 2024, net of income tax	-	-	-	-	2,234	3,986,951	2,870,502	( 217)	-	6,859,470	4,847,584	11,707,054
D5	Total comprehensive income (loss) for the six months ended June 30, 2024	-	-	-	-	5,805,095	3,986,951	2,870,502	( 217)	-	12,662,331	5,075,979	17,738,310
B3	Special reserve	-	-	-	( 5,583,505)	5,583,505	-	-	-	-	-	-	-
B5	Cash dividends	-	-	-	-	( 8,750,886)	-	-	-	-	( 8,750,886)	-	( 8,750,886)
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	297,239	-	( 297,239)	-	-	-	-	-
O1	Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	( 1,982)	( 1,982)
Z1	Balance on June 30, 2024	<u>\$ 48,616,031</u>	<u>\$ 27,548,445</u>	<u>\$ 64,476,033</u>	<u>\$ 7,669,374</u>	<u>\$ 31,921,988</u>	<u>\$ 3,565,256</u>	<u>\$ 3,518,870</u>	<u>(\$ 4,364)</u>	<u>(\$ 83,144)</u>	<u>\$ 187,228,489</u>	<u>\$ 65,353,349</u>	<u>\$ 252,581,838</u>
For the six months ended June 30, 2025													
A1	Balance on January 1, 2025	\$ 48,616,031	\$ 27,705,927	\$ 64,476,033	\$ 7,669,374	\$ 39,833,861	\$ 4,970,909	\$ 4,740,687	(\$ 1,015)	(\$ 83,144)	\$ 197,928,663	\$ 68,956,347	\$ 266,885,010
D1	Net profit for the six months ended June 30, 2025	-	-	-	-	7,804,075	-	-	-	-	7,804,075	1,253,335	9,057,410
D3	Other comprehensive income (loss) for the six months ended June 30, 2025, net of income tax	-	-	-	-	( 625)	( 10,203,823)	534,033	( 45)	-	( 9,670,460)	( 6,076,671)	( 15,747,131)
D5	Total comprehensive income for the six months ended June 30, 2025	-	-	-	-	7,803,450	( 10,203,823)	534,033	( 45)	-	( 1,866,385)	( 4,823,336)	( 6,689,721)
B3	Special reserve	-	-	4,204,262	-	( 4,204,262)	-	-	-	-	-	-	-
B5	Cash dividends	-	-	-	-	( 8,750,886)	-	-	-	-	( 8,750,886)	-	( 8,750,886)
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	( 4,112,194)	-	4,112,194	-	-	-	-	-
O1	Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	( 2,384)	( 2,384)
Z1	Balance on June 30, 2025	<u>\$ 48,616,031</u>	<u>\$ 27,705,927</u>	<u>\$ 68,680,295</u>	<u>\$ 7,669,374</u>	<u>\$ 30,569,969</u>	<u>(\$ 5,232,914)</u>	<u>\$ 9,386,914</u>	<u>(\$ 1,060)</u>	<u>(\$ 83,144)</u>	<u>\$ 187,311,392</u>	<u>\$ 64,130,627</u>	<u>\$ 251,442,019</u>

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

**THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows**  
**For the Six Months Ended June 30, 2025 and 2024**  
(Expressed in Thousands of New Taiwan Dollars)

Codes		For the Six Months Ended June 30	
		2025	2024
	Cash flows from operating activities		
A00010	Consolidated net profit before income tax	\$ 10,106,663	\$ 7,790,651
A20010	Adjustments to reconcile net profit to net cash provided by operating activities		
A20100	Depreciation expenses	845,573	754,707
A20200	Amortization expenses	183,006	173,654
A20300	Provisions for bad debt expense, commitment and guarantee liability	7,350,038	7,861,346
A20400	(Gain) loss on financial assets and liabilities at fair value through profit or loss	( 507,444)	1,626,782
A20900	Interest expenses	21,124,953	22,636,225
A21200	Interest revenue	( 39,611,071)	( 41,103,674)
A21300	Dividend income	( 1,811,233)	( 1,836,234)
A22300	Proportionate share of profit of associates	( 152,116)	( 152,625)
A22500	Loss on disposal of properties and equipment, net	1,133	775
A22700	(Gain) on disposal of investment properties, net	( 1,377,500)	-
A23600	Impairment (reversal) on financial assets	( 8,655)	( 46,800)
A29900	Others	437,499	63,004
A40000	Changes in operating assets and liabilities		
	Changes in operating assets		
A41110	Due from the central bank and call loans to banks	( 25,728,324)	( 13,428,651)
A41120	Financial assets measured at fair value through profit or loss	( 4,433,636)	( 287,214)
A41123	Financial assets measured at fair value through other comprehensive income	( 17,420,462)	( 18,153,753)
A41125	Investment in debt instruments measured at amortized cost	21,536,350	32,304,567
A41150	Receivables	( 11,393,602)	( 2,664,903)
A41160	Discounts and loans	35,195,187	2,382,882
A41190	Other financial assets	( 4,439)	( 4,328)
A41990	Other assets	( 2,209,416)	3,608,187
	Changes in operating liabilities		
A42110	Deposits from the central bank and other banks	1,770,064	( 7,143,988)
A42120	Financial liabilities measured at FVTPL	3,172,370	( 2,572,467)
A42140	Securities sold under repurchase agreements	( 827,653)	7,337,795
A42150	Payables	865,660	1,832,937
A42160	Deposits and remittances	( 41,300,816)	18,961,245
A42170	Other financial liabilities	1,446,085	951,176
A42180	Employee benefit provisions	( 131,670)	49,347
A42990	Other liabilities	223,856	738,575
A33000	Cash from operations	( 42,659,600)	21,679,218
A33100	Interest received	39,038,446	42,232,612
A33200	Dividends received	1,811,233	1,209,988
A33300	Interest paid	( 21,570,564)	( 22,015,452)
A33500	Income tax paid	( 2,241,051)	( 3,361,421)
AAAA	Net cash from operating activities	( 25,621,536)	39,744,945
	<u>Cash flows from investing activities</u>		
B02700	Acquisition of properties	( 636,379)	( 800,989)
B02800	Proceeds from disposal of properties	2,351	776
B04500	Acquisition of intangible assets	( 120,964)	( 172,124)
B05400	Acquisition of investment properties	( 292,265)	( 70,120)
B05500	Disposal of investment properties	3,502,641	-
B09900	Other financial investments	253,708	92,609
BBBB	Net cash used in investing activities	2,709,092	949,848
	<u>Cash flows from financing activities</u>		
C01400	Issuance of bank debentures	2,100,000	2,500,000
C01500	Payments for bank debentures	( 3,000,000)	( 16,951,022)
C04020	Payments for principal portion of lease liabilities	( 539,944)	( 433,434)
C05800	Changes in non-controlling interests	( 2,384)	( 1,982)
CCCC	Net cash from (used in) financing activities	( 1,442,328)	( 14,886,438)
DDDD	Effects of exchange rate changes on the balance of cash held in foreign currencies	( 32,146,072)	14,580,826
EEEE	Net (decrease) increase in cash and cash equivalents	( 56,500,844)	38,489,485
E00100	Cash and cash equivalents at the beginning of the period	369,412,598	356,404,573
E00200	Cash and cash equivalents at the end of the period	<u>\$ 312,911,754</u>	<u>\$ 394,894,058</u>
	Composition of cash and cash equivalents		
E00210	Cash and cash equivalents in consolidated balance sheets	\$ 38,705,938	\$ 47,719,685
E00220	Due from the Central Bank and call loans to banks which fall within the definition of cash and cash equivalents under IAS 7	256,992,015	334,493,919
E00230	Securities purchased under resale agreements which fall within the definition of cash and cash equivalents under IAS 7	17,213,801	12,680,454
E00200	Cash and cash equivalents in consolidated statements of cash flows	<u>\$ 312,911,754</u>	<u>\$ 394,894,058</u>

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

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

## Notes to Consolidated Financial Statements

### For the Six Months Ended June 30, 2025 and 2024

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

#### 1. ORGANIZATION AND OPERATIONS

The Shanghai Commercial & Savings Bank(the “Bank”) is incorporated in Taiwan and engages in the commercial banking businesses under related laws and regulations. The shares of the Bank have been 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

The consolidated financial statements were approved by the board of directors on August 15, 2025.

#### 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:

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

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

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

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

<b>New Standards, Interpretations and Amendments</b>	<b>Effective Date Announced by IASB</b>
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.

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

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

<b>New Standards, Interpretations and Amendments</b>	<b>Effective Date Announced by IASB</b>
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
Amendments to IFRS 18 "The presentation and disclosure of financial statements"	January 1, 2027
Amendments to IFRS 19 "The subsidiaries without public accountability: disclosures"	January 1, 2027

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

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 4.1 Statement of Compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks, and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Under IFRSs, disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

### 4.2 Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value, and pension plans which are measured in accordance with the actuarial assumptions.

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

4.2.1 Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

4.2.2 Level 2 inputs are observable parameters other than quoted prices included within Level 1, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

4.2.3 Level 3 inputs are unobservable inputs for an asset or liability.

### 4.3 Basis of Consolidation

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

income of the subsidiaries is attributed to the owner of the Bank and non-controlling interests, even if the non-controlling interests have negative balance.

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

#### **4.4 Other Significant Accounting Policies**

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

##### **4.4.1 Retirement benefits**

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

##### **4.4.2 Taxation**

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

##### **4.4.3 Financial instruments**

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

##### **4.4.3.2 Impairment of financial instruments**

The 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.

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

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

### Estimates and assumptions of main sources of uncertainty

#### Estimated impairment of financial assets

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

## 6. CASH AND CASH EQUIVALENTS

	June 30, 2025	December 31, 2024	June 30, 2024
Cash in hand and working fund	\$ 10,579,801	\$ 15,998,156	\$ 12,209,947
Checks for clearing	573,044	620,323	2,479,537
Due from other banks	27,553,093	21,904,337	33,030,201
	<u>\$ 38,705,938</u>	<u>\$ 38,522,816</u>	<u>\$ 47,719,685</u>

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

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

The Group assesses the allowance for cash and cash equivalents based on the expected credit loss model. Due to the low credit risk of cash and cash equivalents, allowance losses are recognized based on the 12-month expected credit losses. On June 30, 2025, December 31, 2024 and June 30, 2024, cash and cash equivalents recognized as allowances were in the amounts of \$138 thousand, \$160 thousand and \$154 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

	June 30, 2025	December 31, 2024	June 30, 2024
Call loans to banks	\$ 327,165,353	\$ 370,595,554	\$ 363,694,174
Deposit reserves - I	16,288,154	16,291,208	12,264,771
Deposit reserves - II	34,624,845	34,556,139	31,351,822
Deposit reserves - foreign currency	184,912	212,623	202,703
Due from foreign central banks	5,368,753	10,590,836	7,318,605
	<u>\$ 383,632,017</u>	<u>\$ 432,246,360</u>	<u>\$ 414,832,075</u>

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

The Group assesses the loss allowance for due from the Central Bank and call loans to banks based on the expected credit loss model. Due to the low credit risk of dues from the Central Bank and call loans to banks, the loss allowance is recognized based on 12-month expected credit losses. On June 30, 2025, December 31, 2024 and June 30, 2024, the allowances recognized for the dues from the Central Bank and call loans to banks were in the amounts of \$6,933 thousand, \$8,194 thousand and \$3,998 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)

	June 30, 2025	December 31, 2024	June 30, 2024
<b>Financial assets measured at FVTPL</b>			
<b>Financial assets mandatorily classified as at FVTPL</b>			
Forward contracts	\$ 2,282,558	\$ 2,403,365	\$ 2,105,752
Bank debentures	1,372,215	1,179,335	81,234
Corporate bonds	1,170,496	156,723	1,389,790
Currency swap contracts	1,108,958	525,722	39,416
Option contracts	1,055,834	508,532	425,344
Futures	681,611	543,385	431,814
Shares	577,787	213,166	484,952
Interest rate swap contracts	107,690	39,282	16,851
Government bonds	17,145	-	4,361,031
	<u>\$ 8,374,294</u>	<u>\$ 5,569,510</u>	<u>\$ 9,336,184</u>

	June 30, 2025	June 30, 2024	June 30, 2024
<b>Financial liabilities measured at FVTPL</b>			
<b>Held-for-trading financial liabilities</b>			
Forward contracts	\$ 2,300,227	\$ 2,313,113	\$ 1,812,547
Currency swap contracts	1,128,359	90,412	1,396,319
Option contracts	897,136	519,474	403,713
Interest rate swap contracts	403,372	464,829	300,918
Futures	11,860	17	516
	<u>4,740,954</u>	<u>3,387,845</u>	<u>3,914,013</u>
<b>Financial liabilities designated at FVTPL</b>			
Bank debentures	2,183,625	2,438,063	2,495,305
	<u>\$ 6,924,579</u>	<u>\$ 5,825,908</u>	<u>\$ 6,409,318</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:

	June 30, 2025	December 31, 2024	June 30, 2024
Forward contracts	\$ 518,977,496	\$ 405,576,093	\$ 440,831,084
Option contracts	157,458,621	153,727,240	170,527,078
Currency swap contracts	95,031,255	62,208,862	79,812,617
Interest rate swap contracts	18,746,222	12,028,742	12,119,692
Future contracts	1,011,403	33,729	237,760

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

	June 30, 2025	December 31, 2024	June 30, 2024
The difference between the fair value and the maturity value			
— Fair value	\$ 2,183,625	\$ 2,438,063	\$ 2,495,305
— Maturity value	2,249,185	2,431,170	2,543,756
	<u>(\$ 65,560)</u>	<u>\$ 6,893</u>	<u>(\$ 48,451)</u>
			Effects of changes in credit risk
Current amount of change			
For the Three Months Ended June 30, 2025			\$ 137
For the Three Months Ended June 30, 2024			<u>(\$ 1,819)</u>
For the Six Months Ended June 30, 2025			<u>(\$ 45)</u>
For the Six Months Ended June 30, 2024			<u>(\$ 217)</u>
Cumulative amount of change			
Up to June 30, 2025			<u>(\$ 1,060)</u>
Up to December 31, 2024			<u>(\$ 1,015)</u>
Up to June 30, 2024			<u>(\$ 4,364)</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.

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

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

	June 30, 2025	December 31, 2024	June 30, 2024
Investments in equity instruments measured at FVTOCI			
Shares	\$ 52,342,795	\$ 51,404,856	\$ 51,136,663
Investments in debt instruments measured at FVTOCI			
Bank debentures	188,271,667	179,222,413	132,568,234
Corporate bonds	146,084,593	155,381,577	150,365,931
Government bonds	73,562,310	80,583,100	74,306,232
Commercial papers	7,485,573	7,469,697	9,291,506
Asset-backed securities	1,065,223	1,183,461	1,174,144
	416,469,366	423,840,248	367,706,047
	<u>\$ 468,812,161</u>	<u>\$ 475,245,104</u>	<u>\$ 418,842,710</u>

The Group holds certain equity instruments that are not held for trading purposes and have therefore been designates as measured at FVTOCI.

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

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

The Group, in order to diversity risk by adjusting its investment portfolio, sold equity investments with fair value of \$28,721,062 thousand and \$20,133,616 thousand for the six months ended June 30, 2025 and 2024, resulting in accumulated disposal losses of \$4,112,194 thousand and gains of \$297,239 thousand, respectively.

Amounts recognized in profit or loss in relation to FVTOCI are listed below:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
<b>Equity instruments at fair value through other comprehensive income</b>				
Fair value change recognized in other comprehensive income (loss)	(\$ 844,362)	\$ 1,407,902	(\$ 1,289,441)	\$ 4,484,055
Disposal gain (loss) reclassified to retained earnings	\$ 4,060,096	\$ 9,907	\$ 4,112,194	(\$ 297,239)
Dividend income recognized in profit or loss				
Held at end of period	\$ 720,817	\$ 1,098,389	\$ 988,079	\$ 1,298,376
Derecognized during the period	745,042	464,362	820,996	535,062
	\$ 1,465,859	\$ 1,562,751	\$ 1,809,075	\$ 1,833,438
<b>Debt instruments at fair value through other comprehensive income</b>				
Fair value change recognized in other comprehensive income (loss)	\$ 2,529,008	(\$ 51,409)	\$ 4,403,107	(\$ 194,818)
Disposal gain (loss) reclassified to profit or loss	79,798	76,153	116,383	273,533
	\$ 2,608,806	\$ 24,744	\$ 4,519,490	\$ 78,715
Reclassified to profit or loss due to reversal of impairment loss	(\$ 12,759)	(\$ 46,464)	(\$ 6,958)	(\$ 45,998)
Exchange rate and other changes	( 6,938)	3,958	( 6,160)	4,686
	(\$ 19,697)	(\$ 42,506)	(\$ 13,118)	(\$ 41,312)
Interest income recognized in profit or loss	\$ 3,963,534	\$ 2,852,721	\$ 7,823,378	\$ 5,624,977

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

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

	June 30, 2025	December 31, 2024	June 30, 2024
Negotiable certificates of deposit	\$ 183,985,000	\$ 194,485,000	\$ 164,800,000
Government bonds	14,550,297	19,750,502	39,791,696
Corporate bonds	5,398,901	5,228,744	6,533,692
Bank debentures	4,960,965	15,408,222	22,560,279
Treasury bonds	2,728,786	-	5,497,767
Asset-backed securities	755,166	279,510	675,282
	212,379,115	235,151,978	239,858,716
Less: Loss allowance	( 3,461)	( 5,220)	( 6,276)
	\$ 212,375,654	\$ 235,146,758	\$ 239,852,440

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Interest revenue	\$ 696,519	\$ 1,026,529	\$ 1,486,482	\$ 2,116,357
Gain on disposal	9,592	9,084	68,116	50,649
Reversal gain (loss) on impairment	9,477	22	1,697	802
	\$ 715,588	\$ 1,035,635	\$ 1,556,295	\$ 2,167,808

Due to risk management purposes, the Group disposal some debt instrument investments for the 3 months and 6 months ended June 30, 2025, and the disposal profits were 9,592 thousand and 68,116 thousand, respectively.

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

For the information on related 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.

<b>June 30, 2025</b>	<b>At FVTOCI</b>	<b>At Amortized Cost</b>	<b>Total</b>
Total carrying amount	\$ 420,298,974	\$ 212,379,115	\$ 632,678,089
Loss allowance	( 122,895)	( 3,461)	( 126,356)
Amortized cost	420,176,079	<u>\$ 212,375,654</u>	632,551,733
Fair value adjustment	( 3,706,713)		( 3,706,713)
	<u>\$ 416,469,366</u>		<u>\$ 628,845,020</u>

<b>December 31, 2024</b>	<b>At FVTOCI</b>	<b>At Amortized Cost</b>	<b>Total</b>
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>

<b>June 30, 2024</b>	<b>At FVTOCI</b>	<b>At Amortized Cost</b>	<b>Total</b>
Total carrying amount	\$ 377,816,581	\$ 239,858,716	\$ 617,675,297
Loss allowance	( 114,438)	( 6,276)	( 120,714)
Amortized cost	377,702,143	<u>\$ 239,852,440</u>	617,554,583
Fair value adjustment	( 9,996,096)		( 9,996,096)
	<u>\$ 367,706,047</u>		<u>\$ 607,558,487</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:

### June 30, 2025

Rating	Definitions	Expected Credit Loss Recognition Base	Expected Credit Loss Rate	June 30, 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%	\$ 632,372,898
Stage 2	Credit risk has increased significantly since the initial recognition	Expected credit loss during the period of existence (no credit impairment)	0.418% ~ 2.507%	305,191

## December 31, 2024

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

## June 30, 2024

Rating	Definitions	Expected Credit Loss Recognition Base	Expected Credit Loss Rate	June 30, 2024 Total Carrying Amount
Stage 1	The debtor has a low credit risk and is fully capable of paying off contractual cash flows	12-month expected credit loss	0.000% ~ 2.030%	\$ 616,849,141
Stage 2	Credit risk has increased significantly since the initial recognition	Expected credit loss during the period of existence (no credit impairment)	0.396% ~ 2.970%	826,156

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

### Investments in debt instruments at FVTOCI

	Credit Risk Rating			Total
	Stage 1 (12-Month ECLs)	Stage 2 (Lifetime ECLs without impairment)	Stage 3 (Lifetime ECLs with impairment)	
Balance at January 1, 2025	\$ 110,000	\$ 26,013	\$ -	\$ 136,013
Purchase of new debt instruments	29,466	-	-	29,466
Derecognition	( 21,153)	( 4,105)	-	( 25,258)
Provisions (reversal)	( 6,603)	( 4,563)	-	( 11,166)
Exchange rate and other changes	( 6,970)	810	-	( 6,160)
Balance at June 30, 2025	<u>\$ 104,740</u>	<u>\$ 18,155</u>	<u>\$ -</u>	<u>\$ 122,895</u>

	Credit Risk Rating			Total
	Stage 1 (12-Month ECLs)	Stage 2 (Lifetime ECLs without impairment)	Stage 3 (Lifetime ECLs with impairment)	
Balance at January 1, 2024	\$ 107,370	\$ 10,691	\$ 37,689	\$ 155,750
Stage transfer-to lifetime ECLs without impairment	( 159)	159	-	-
Purchase of new debt instruments	18,878	-	-	18,878
Derecognition	( 20,710)	( 560)	( 43,960)	( 65,230)
Provisions (reversal)	( 2,836)	3,190	-	354
Exchange rate and other changes	( 267)	( 1,318)	6,271	4,686
Balance at June 30, 2024	<u>\$ 102,276</u>	<u>\$ 12,162</u>	<u>\$ -</u>	<u>\$ 114,438</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	148	-	148
Derecognition	( 1,595)	-	( 1,595)
Provisions (reversal)	( 250)	-	( 250)
Exchange rate and other changes	( 62)	-	( 62)
Balance at June 30, 2025	<u>\$ 3,461</u>	<u>\$ -</u>	<u>\$ 3,461</u>
Balance at January 1, 2024	\$ 6,974	\$ -	\$ 6,974
Purchase of new debt instruments	531	-	531
Derecognition	( 1,025)	-	( 1,025)
Provisions (reversal)	( 308)	-	( 308)
Exchange rate and other changes	104	-	104
Balance at June 30, 2024	<u>\$ 6,276</u>	<u>\$ -</u>	<u>\$ 6,276</u>

## 12. SECURITIES PURCHASED UNDER RESELL AGREEMENTS

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

## 13. RECEIVABLES, NET

	June 30, 2025	December 31, 2024	June 30, 2024
Accrued interest	\$ 8,423,670	\$ 10,114,478	\$ 8,845,905
Loans held for sale	6,951,794	-	-
Accounts receivable due from sales of securities	4,699,391	2,200,935	3,414,418
Credit card receivables	3,594,718	4,187,443	5,275,006
Acceptances	2,402,246	1,816,601	1,721,515
Finance lease receivable	702,309	683,527	379,868
Accounts receivable due from sale of real estate	270,163	1,959,975	-
Accounts receivable - factoring	264,786	228,353	308,587
Others	4,403,387	4,163,092	4,726,702
	<u>31,712,464</u>	<u>25,354,404</u>	<u>24,672,001</u>
Less: Allowance for credit losses	( 571,892)	( 605,735)	( 428,266)
	<u>\$ 31,140,572</u>	<u>\$ 24,748,669</u>	<u>\$ 24,243,735</u>

The changes in total carrying amount and the allowance of receivables and other financial assets for the six months ended June 30, 2025 and 2024 (including non-accrual loans and bills of exchange, refer to Note 17) are as follows:

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

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Individually)	Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets)	Total
<b>Receivables and other financial assets</b>					
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	( 98,565)	52,491	46,298	( 224)	-
Transfer to ECLs on financial assets	( 15,764)	( 16,016)	( 5,341)	37,121	-
Transfer to 12-month ECLs	98,990	( 38,258)	( 59,970)	( 762)	-
Financial assets derecognized in the current period	( 2,330,270)	( 38,717)	( 14,747)	( 3,690)	( 2,387,424)
Transfer or pay off the original amount	( 129,390)	( 1,909)	( 21,543)	162,180	9,338
Purchased or originated financial assets	10,917,973	41,599	27,108	6,547	10,993,227
Write-offs	-	-	-	( 31,093)	( 31,093)
Exchange rate and other changes	( 2,036,729)	( 160)	( 19,101)	( 167,030)	( 2,223,020)
Balance on June 30, 2025	\$ 30,079,783	\$ 161,477	\$ 144,596	\$ 1,336,623	\$ 31,722,479

	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
<b>Allowance</b>							
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	( 836)	475	426	( 65)	-	-	-
Transfer to ECLs on financial assets	( 126)	( 404)	( 438)	968	-	-	-
Transfer to 12-month ECLs	15,146	( 11,879)	( 2,711)	( 556)	-	-	-
Financial assets derecognized in the current period	( 4,645)	( 5,745)	( 181)	( 8,328)	( 18,899)	-	( 18,899)
Provisions (reversal)	6,237	13,831	1,712	22,913	44,693	-	44,693
Purchased or originated financial assets	6,554	3,247	367	49,761	59,929	-	59,929
The difference of impairment under the regulation or decree	-	-	-	-	-	4,933	4,933
Write-offs	-	-	-	( 31,093)	( 31,093)	-	( 31,093)
Recoveries after write-off	-	-	-	17,422	17,422	-	17,422
Exchange rate and other changes	( 84,440)	-	( 779)	( 26,455)	( 111,674)	-	( 111,674)
Balance on June 30, 2025	\$ 297,929	\$ 23,902	\$ 5,922	\$ 215,341	\$ 543,094	\$ 33,127	\$ 576,221

## For the Six Months Ended June 30, 2024

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Individually)	Lifetime ECLs (Non- Purchased or Originated Credit Impairment on Financial Assets)	Total
<b>Receivables and other financial assets</b>					
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	( 111,995)	67,363	44,952	( 320)	-
Transfer to ECLs on financial assets	( 18,708)	( 15,081)	( 1,861)	35,650	-
Transfer to 12-month ECLs	110,890	( 43,152)	( 67,186)	( 552)	-
Financial assets derecognized in the current period	( 2,509,139)	( 163,891)	( 25,500)	( 4,544)	( 2,703,074)
Transfer or pay off the original amount	1,782,030	( 21,330)	( 6,038)	40,680	1,795,342
Purchased or originated financial assets	2,579,003	45,939	9,694	23,869	2,658,505
Write-offs	-	-	-	( 33,614)	( 33,614)
Exchange rate and other changes	95,425	6,889	6,065	31,664	140,043
Balance on June 30, 2024	\$ 23,761,229	\$ 169,559	\$ 167,686	\$ 586,505	\$ 24,684,979

	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
<b>Allowance</b>							
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	( 673)	544	306	( 177)	-	-	-
Transfer to ECLs on financial assets	( 158)	( 2,875)	( 254)	3,287	-	-	-
Transfer to 12-month ECLs	20,319	( 17,854)	( 2,226)	( 239)	-	-	-
Financial assets derecognized in the current period	( 6,350)	( 21,136)	( 159)	( 2,029)	( 29,674)	-	( 29,674)
Provisions (reversal)	58,559	16,876	1,544	11,549	88,528	-	88,528
Purchased or originated financial assets	14,305	6,266	704	23,781	45,056	-	45,056
The difference of impairment under the regulation or decree	-	-	-	-	-	6,820	6,820
Write-offs	-	-	-	( 33,614)	( 33,614)	-	( 33,614)
Recoveries after write-off	-	-	-	14,028	14,028	-	14,028
Exchange rate and other changes	( 51,443)	722	365	3,170	( 47,186)	-	( 47,186)
Balance on June 30, 2024	\$ 320,345	\$ 33,027	\$ 6,816	\$ 53,438	\$ 413,626	\$ 19,738	\$ 433,364

## 14. DISCOUNTS AND LOANS, NET

	June 30, 2025	December 31, 2024	June 30, 2024
Loans	\$ 1,133,919,627	\$ 1,202,227,420	\$ 1,206,787,426
Inward/outward documentary bills	11,976,139	15,590,404	16,750,093
Overdrafts	9,574,667	12,722,988	12,710,619
Non-performing loans	13,474,350	8,204,708	9,054,092
	1,168,944,783	1,238,745,520	1,245,302,230
Discount and premium adjustments	( 134,872)	( 161,259)	( 203,522)
Provisions for loans and discounts	( 19,345,130)	( 17,567,744)	( 16,962,001)
	<u>\$ 1,149,464,781</u>	<u>\$ 1,221,016,517</u>	<u>\$ 1,228,136,707</u>

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

thousand and \$105,750 thousand, respectively.

For the six months ended June 30, 2025 and 2024, the 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 six months ended June 30, 2025 and 2024 are as follows:

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

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Individually)	Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets)	Lifetime ECLs (Purchased or Originated Credit Impairment on Financial Assets)	Total
<b>Discounts and loans</b>						
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	( 6,426,848)	1,665,494	4,762,920	( 1,566)	-	-
Transfer to ECLs on financial assets	( 6,648,453)	( 491,932)	( 8,745,072)	15,885,457	-	-
Transfer to 12-month ECLs	6,831,405	( 2,693,966)	( 4,072,606)	( 64,833)	-	-
Financial assets derecognized in the current period	( 252,137,072)	( 4,877,804)	( 11,586,323)	( 850,847)	-	( 269,452,046)
Transfer or pay off the original amount	( 27,885,681)	( 286,665)	( 970,113)	( 3,009,988)	-	( 32,152,447)
Purchased or originated financial assets	262,592,027	4,177,702	9,696,501	499,617	-	276,965,847
Write-offs	( 6,143)	( 662)	-	( 4,712,921)	-	( 4,719,726)
Exchange rate and other changes	( 34,959,027)	( 72,608)	( 3,323,494)	( 2,086,472)	( 764)	( 40,442,365)
Balance on June 30, 2025	\$ 1,110,198,352	\$ 8,016,174	\$ 25,426,071	\$ 25,298,915	\$ 5,271	\$ 1,168,944,783

	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
<b>Allowance</b>								
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	( 12,713)	3,189	10,025	( 501)	-	-	-	-
Transfer to ECLs on financial assets	( 12,535)	( 41,971)	( 52,095)	106,601	-	-	-	-
Transfer to 12-month ECLs	1,042,763	( 977,875)	( 37,466)	( 27,422)	-	-	-	-
Financial assets derecognized in the current period	( 246,524)	( 194,350)	( 110,496)	( 339,635)	-	( 891,005)	-	( 891,005)
Provisions (reversal)	( 863,722)	113,485	55,653	3,892,632	-	3,198,048	-	3,198,048
Purchased or originated financial assets	981,196	73,135	553,608	1,680,389	-	3,288,328	-	3,288,328
The difference of impairment under the regulation or decree	-	-	-	-	-	-	1,721,986	1,721,986
Write-offs	( 81)	( 152)	-	( 4,719,493)	-	( 4,719,726)	-	( 4,719,726)
Recoveries of write-offs	-	-	-	259,888	-	259,888	-	259,888
Exchange rate and other changes	( 283,912)	( 7,278)	( 131,697)	( 657,246)	-	( 1,080,133)	-	( 1,080,133)
Balance on June 30, 2025	\$ 1,726,562	\$ 304,433	\$ 1,004,201	\$ 5,703,842	\$ -	\$ 8,739,038	\$ 10,606,092	\$ 19,345,130



## For the Six Months Ended June 30, 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
<b>Discounts and loans</b>						
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	( 13,565,742)	1,141,586	12,443,222	( 19,066)	-	-
Transfer to ECLs on financial assets	( 4,069,206)	( 533,333)	( 2,986,862)	7,589,401	-	-
Transfer to 12-month ECLs	3,873,497	( 1,965,569)	( 1,812,459)	( 95,469)	-	-
Financial assets derecognized in the current period	( 255,305,448)	( 1,607,387)	( 8,156,675)	( 531,553)	-	( 265,601,063)
Transfer or pay off the original amount	( 32,866,313)	( 211,486)	( 290,968)	( 221,089)	( 52)	( 33,589,908)
Purchased or originated financial assets	272,320,913	1,550,971	6,519,120	716,909	-	281,107,913
Write-offs	( 2,083)	( 895)	-	( 7,578,384)	( 9,230)	( 7,590,592)
Exchange rate and other changes	23,261,260	155,697	( 817,354)	768,227	( 150)	23,367,680
Balance on June 30, 2024	\$ 1,185,817,128	\$ 5,909,440	\$ 34,860,758	\$ 18,681,165	\$ 33,739	\$ 1,245,302,230

	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
<b>Allowance</b>								
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	( 26,976)	8,243	25,504	( 6,771)	-	-	-	-
Transfer to ECLs on financial assets	( 13,096)	( 58,770)	( 30,948)	102,814	-	-	-	-
Transfer to 12-month ECLs	679,769	( 600,644)	( 28,206)	( 50,919)	-	-	-	-
Financial assets derecognized in the current period	( 387,342)	( 131,180)	( 116,561)	( 84,905)	-	( 719,988)	-	( 719,988)
Provisions (reversal)	( 521,952)	145,912	187,415	6,530,136	29	6,341,540	-	6,341,540
Purchased or originated financial assets	515,374	223,968	324,699	757,144	-	1,821,185	-	1,821,185
The difference of impairment under the regulation or decree	-	-	-	-	-	-	462,796	462,796
Write-offs	( 23)	( 161)	-	( 7,581,182)	( 9,226)	( 7,590,592)	-	( 7,590,592)
Recoveries of write-offs	-	-	-	177,681	-	177,681	-	177,681
Exchange rate and other changes	41,893	16,612	78,546	131,893	( 609)	268,335	-	268,335
Balance on June 30, 2024	\$ 1,761,009	\$ 694,367	\$ 1,003,636	\$ 3,497,579	\$ -	\$ 6,956,591	\$ 10,005,410	\$ 16,962,001

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Provisions for discounts and loans	\$ 5,914,071	\$ 7,269,842	\$ 7,317,357	\$ 7,905,533
Provisions for receivables and other financial assets	17,600	62,622	90,656	110,730
Provisions (reversal) for reserve of possible losses on guarantees	( 89,737)	( 171,669)	( 57,397)	( 153,529)
Other provisions (reversal)	( 41)	1,872	( 578)	( 1,388)
	<u>\$ 5,841,893</u>	<u>\$ 7,162,667</u>	<u>\$ 7,350,038</u>	<u>\$ 7,861,346</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
			June 30, 2025	December 31, 2024	June 30, 2024	
Domestic subsidiaries						
The Bank	China Travel Service (Taiwan)	Traveling	99.99	99.99	99.99	1.
The Bank	SCSB Marketing Ltd.	Human resource services	100.00	100.00	100.00	1.
The Bank	SCSB Asset Management Ltd.	Purchase, evaluation, auction and management of creditor's right of financial institutions	100.00	100.00	100.00	1.
China Travel Service (Taiwan)	CTS Travel International Ltd.	Traveling	100.00	100.00	100.00	1.
Foreign subsidiaries						
The Bank	Shancom Reconstruction AG	Investment holding	100.00	100.00	100.00	
The Bank	Wresqueue Limitada	Investment holding	100.00	100.00	100.00	1.
The Bank	Paofoong Insurance Company Ltd.	Insurance	40.00	40.00	40.00	1.
The Bank	AMK Microfinance Institution Plc.	Microfinance	99.99	99.99	99.99	1.
SCSB Asset Management Ltd.	SCSB Leasing (China) Co., Ltd.	Leasing operation	100.00	100.00	100.00	1.
Wresqueue Limitada	Prosperity Realty Inc.	Real estate service	100.00	100.00	100.00	1.
Shancom Reconstruction AG	Empresa Inversiones Generales, S.A.	Investment holding	100.00	100.00	100.00	
Shancom Reconstruction AG	Krinein Company	Investment holding	100.00	100.00	100.00	
Shancom Reconstruction AG	Safehaven Investment Corporation	Investment holding	100.00	100.00	100.00	
Empresa Inversiones Generales, S.A.	Shanghai Commercial Bank (HK)	Banking	48.00	48.00	48.00	2.
Krinein Company	Shanghai Commercial Bank (HK)	Banking	9.60	9.60	9.60	2.
Shanghai Commercial Bank (HK)	Shanghai Commercial Bank (Nominees) Ltd.	Nominee services	100.00	100.00	100.00	1.
Shanghai Commercial Bank (HK)	Shanghai Commercial Bank Trustee Ltd.	Trustee services	60.00	60.00	60.00	1.
Shanghai Commercial Bank (HK)	Shacom Futures Ltd.	Commodities trading	100.00	100.00	100.00	1.
Shanghai Commercial Bank (HK)	Shacom Investment Ltd.	Investment in exchange fund bills and notes	100.00	100.00	100.00	1.
Shanghai Commercial Bank (HK)	Shacom Property Holdings (BVI) Limited	Property holding	100.00	100.00	100.00	1.
Shanghai Commercial Bank (HK)	Shacom Property (NY) Inc.	Property holding	100.00	100.00	100.00	1.
Shanghai Commercial Bank (HK)	Shacom Property (CA) Inc.	Property holding	100.00	100.00	100.00	1.
Shanghai Commercial Bank (HK)	Shacom Assets Investment Ltd.	Investment in bonds	100.00	100.00	100.00	1.
Shanghai Commercial Bank (HK)	Infinite Financial Solutions Limited	I.T. application services provider	100.00	100.00	100.00	1.
Shanghai Commercial Bank (HK)	Shacom Insurance Brokers Ltd.	Insurance broker	100.00	100.00	100.00	1.
Shanghai Commercial Bank (HK)	Shacom Securities Ltd.	Securities brokerage services	100.00	100.00	100.00	1.
Shanghai Commercial Bank (HK)	Hai Kwang Property Management Co., Ltd.	Property management	100.00	100.00	100.00	1.
Shanghai Commercial Bank (HK)	Paofoong Insurance Company Ltd.	Insurance	60.00	60.00	60.00	1.
Shanghai Commercial Bank (HK)	Right Honour Investments Limited	Property holding	100.00	100.00	100.00	1.
Shanghai Commercial Bank (HK)	KCC 23F Limited	Property holding	100.00	100.00	100.00	1.
Shanghai Commercial Bank (HK)	KCC 25F Limited	Property holding	100.00	100.00	100.00	1.
Shanghai Commercial Bank (HK)	KCC 26F Limited	Property holding	100.00	100.00	100.00	1.
Right Honour Investments Limited	Glory Step Westpoint Investment Limited	Property holding	100.00	100.00	100.00	1.
Right Honour Investments Limited	Silver Wisdom Westpoint Investment Limited	Property holding	100.00	100.00	100.00	1.

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

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

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

		Proportion of Ownership and Voting Rights Held by Non-controlling Interests			
Name of Subsidiary	Principal Place of Business	June 30, 2025	December 31, 2024	June 30, 2024	
Shanghai Commercial Bank (H.K.)	Hong Kong	42.40%	42.40%	42.40%	
		Profit Allocated to Non-controlling Interests			
Name of Subsidiary		For the Three Months Ended June 30		For the Six Months Ended June 30	
		2025	2024	2025	2024
Shanghai Commercial Bank (H.K.) (excluding NCI in its subsidiaries)	\$ 19,817	(\$ 706,708)	\$ 1,253,322	\$ 227,999	

Name of Subsidiary	Accumulated Non-controlling		
	June 30, 2025	December 31, 2024	June 30, 2024
Shanghai Commercial Bank (H.K.) (excluding NCI in its subsidiaries)	\$ 64,130,513	\$ 68,956,237	\$ 65,353,245

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

	June 30, 2025	December 31, 2024	June 30, 2024
Assets	\$ 855,331,940	\$ 961,468,370	\$ 944,839,557
Liabilities	( 704,312,316)	( 799,492,735)	( 790,910,423)
NCI of SCB's subsidiaries	( 456,700)	( 493,519)	( 457,046)
Equity	\$ 150,562,924	\$ 161,482,116	\$ 153,472,088

	June 30, 2025	December 31, 2024	June 30, 2024
Equity attributable to:			
Owners of SCSB	\$ 86,724,244	\$ 93,013,699	\$ 88,399,923
NCI of SCSB	63,838,680	68,468,417	65,072,165
	\$ 150,562,924	\$ 161,482,116	\$ 153,472,088

	For the Three Months Ended June 30		For the Six Months Months Ended June 30	
	2025	2024	2025	2024
Revenue	\$ 6,641,250	\$ 6,483,769	\$ 13,377,446	\$ 11,761,136
Net profit for the period	(\$ 30,076)	(\$ 1,598,252)	\$ 2,886,790	\$ 605,663
Other comprehensive income for the period	3,058,084	1,414,678	5,795,383	3,066,486
Total comprehensive income for the period	\$ 3,028,008	(\$ 183,574)	\$ 8,682,173	\$ 3,672,149

Profit attributable to:				
Owners of SCSB	(\$ 26,223)	(\$ 926,540)	\$ 1,648,579	\$ 342,434
NCI of SCSB	( 19,303)	( 682,037)	1,213,538	252,069
NCI of SCB's subsidiaries	15,450	10,325	24,673	11,160
	(\$ 30,076)	(\$ 1,598,252)	\$ 2,886,790	\$ 605,663

Total comprehensive income attributable to:				
Owners of SCSB	\$ 1,734,830	(\$ 111,684)	\$ 4,986,362	\$ 2,108,729
NCI of SCSB	1,277,028	( 82,213)	3,670,516	1,552,258
NCI of SCB's subsidiaries	16,150	10,323	25,295	11,162
	\$ 3,028,008	(\$ 183,574)	\$ 8,682,173	\$ 3,672,149

	For the Six Months Ended June 30	
	2025	2024
Net cash inflow (outflow) from:		
Operating activities	(\$ 41,445,205)	\$ 42,317,988
Investing activities	18,478,271	22,184,423
Financing activities	( 215,788)	( 10,537,786)
Net cash inflow	(\$ 23,182,722)	\$ 53,964,625

## 16. INVESTMENTS UNDER THE EQUITY METHOD

	June 30, 2025	December 31, 2024	June 30, 2024
Investments in associates	\$ 1,493,350	\$ 1,559,287	\$ 2,494,880

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

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

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

	For the Three Months Ended June 30		For the Six Months Months Ended June 30	
	2025	2024	2025	2024
Profit from continuing operations	\$ 60,365	\$ 73,793	\$ 152,116	\$ 152,625
Other comprehensive income for the period	( 1,413)	( 10,217)	5,392	95,551
Total comprehensive income for the period	\$ 58,952	\$ 63,576	\$ 157,508	\$ 248,176

## 17. OTHER FINANCIAL ASSETS, NET

	June 30, 2025	December 31, 2024	June 30, 2024
Non-performing receivables	\$ 4,159	\$ 5,175	\$ 5,018
Bills of exchange	5,856	1,872	7,960
	10,015	7,047	12,978
Allowance for non-performing credit card receivables	( 4,329)	( 5,175)	( 5,098)
	\$ 5,686	\$ 1,872	\$ 7,880

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

The balances of credit card receivables which were reported as non-performing amounted to \$4,159 thousand, \$5,175 thousand and \$5,018 thousand as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively. The unrecognized interest revenue on the receivables amounted to \$60 thousand and \$83 thousand for the six months ended June 30, 2025 and 2024, respectively.

## 18. PROPERTIES, NET

	June 30, 2025	December 31, 2024	June 30, 2024
Land	\$ 14,184,246	\$ 14,422,851	\$ 14,418,235
Buildings and improvements	7,669,209	4,074,589	4,119,300
Mechanical equipment	643,508	778,585	735,000
Miscellaneous equipment	593,678	632,404	603,217
Transportation equipment	37,040	44,688	49,123
Construction in progress and prepayments	251,050	4,237,723	3,966,384
	\$ 23,378,731	\$ 24,190,840	\$ 23,891,259

For the Six Months Ended June 30, 2025						
	Balance at January 1, 2025	Additions	Disposals	Internal Transfers	Effects of Exchange Rate Changes, Net	Balance at June 30, 2025
<b>Cost</b>						
Land	\$ 15,549,439	\$ -	\$ -	\$ 412,403	(\$ 743,656)	\$ 15,218,186
Buildings and improvements	8,659,750	503,648	-	3,579,242	( 584,900)	12,157,740
Mechanical equipment	3,516,189	53,259	( 24,030)	-	( 250,589)	3,294,829
Miscellaneous equipment	3,370,656	77,380	( 11,267)	536	( 280,497)	3,156,808
Transportation equipment	130,768	691	( 5,223)	-	( 11,344)	114,892
Construction in progress and prepayments	4,243,653	1,401	-	( 3,992,181)	( 1,823)	251,050
	<u>35,470,455</u>	<u>\$ 636,379</u>	<u>(\$ 40,520)</u>	<u>\$ -</u>	<u>(\$ 1,872,809)</u>	<u>34,193,505</u>
<b>Accumulated depreciation</b>						
Land	\$ 1,126,588	\$ 36,973	\$ -	\$ 5,919	(\$ 135,540)	\$ 1,033,940
Buildings and improvements	4,585,161	123,054	-	-	( 219,684)	4,488,531
Mechanical equipment	2,737,604	164,550	( 22,547)	-	( 228,286)	2,651,321
Miscellaneous equipment	2,738,252	92,469	( 10,302)	-	( 257,289)	2,563,130
Transportation equipment	86,080	3,179	( 4,187)	-	( 7,220)	77,852
Construction in progress and prepayments	5,930	-	-	( 5,919)	( 11)	-
	<u>11,279,615</u>	<u>\$ 420,225</u>	<u>(\$ 37,036)</u>	<u>\$ -</u>	<u>(\$ 848,030)</u>	<u>10,814,774</u>
Net amount	<u>\$ 24,190,840</u>					<u>\$ 23,378,731</u>
For the Six Months Ended June 30, 2024						
	Balance at January 1, 2024	Additions	Disposals	Internal Transfers	Effects of Exchange Rate Changes, Net	Balance at June 30, 2024
<b>Cost</b>						
Land	\$ 15,168,383	\$ -	\$ -	\$ -	\$ 322,323	\$ 15,218,181
Buildings and improvements	8,361,087	-	-	-	238,544	12,157,745
Mechanical equipment	3,233,949	117,124	( 51,477)	-	109,616	3,294,829
Miscellaneous equipment	3,064,085	101,478	( 14,321)	985	131,892	3,156,809
Transportation equipment	151,718	1,360	( 10,083)	-	6,301	114,891
Construction in progress and prepayments	3,342,412	581,027	-	( 985)	49,537	251,050
	<u>33,321,634</u>	<u>\$ 800,989</u>	<u>(\$ 75,881)</u>	<u>\$ -</u>	<u>\$ 858,213</u>	<u>34,193,505</u>
<b>Accumulated depreciation</b>						
Land	\$ 980,194	\$ 32,128	\$ -	\$ -	\$ 60,149	\$ 1,072,471
Buildings and improvements	4,298,875	80,835	-	-	100,621	4,480,331
Mechanical equipment	2,464,293	152,845	( 50,924)	-	97,998	2,664,212
Miscellaneous equipment	2,497,041	78,778	( 13,713)	-	118,796	2,680,902
Transportation equipment	101,177	4,638	( 9,693)	-	4,051	100,173
Construction in progress and prepayments	5,085	203	-	-	319	5,607
	<u>10,346,665</u>	<u>\$ 349,427</u>	<u>(\$ 74,330)</u>	<u>\$ -</u>	<u>\$ 381,934</u>	<u>11,003,696</u>
Net amount	<u>\$ 22,974,969</u>					<u>\$ 23,189,809</u>

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

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

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

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

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

## 19. LEASE ARRANGEMENTS

### 19.1 Right-of-use assets

	June 30, 2025	December 31, 2024	June 30, 2024
Carrying amount of right-of-use assets			
Buildings and improvements	\$ 1,541,269	\$ 1,690,875	\$ 1,885,425
Office equipment	41,082	60,215	72,923
Mechanical equipment	37,748	53,229	61,635
Transportation equipment	40,811	44,904	39,484
Land	3,409	5,014	6,034
	<u>\$ 1,664,319</u>	<u>\$ 1,854,237</u>	<u>\$ 2,065,501</u>
	For the Three Months Ended June 30	For the Six Months Months Ended June 30	
	2025	2024	2025 2024
Increase in right-of-use assets	\$ 208,619	\$ 317,795	\$ 355,065 \$ 614,413
Depreciation expenses of right-of-use assets			
Buildings and improvements	\$ 190,144	\$ 169,048	\$ 372,875 \$ 355,661
Office equipment	6,917	4,054	13,857 12,131
Mechanical equipment	5,007	6,971	10,254 10,874
Transportation equipment	3,973	5,142	8,418 9,034
Land	591	606	1,196 1,192
	<u>\$ 206,632</u>	<u>\$ 185,821</u>	<u>\$ 406,600 \$ 388,892</u>

### 19.2 Lease liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
Carrying amount of lease liabilities	<u>\$ 1,676,268</u>	<u>\$ 1,878,459</u>	<u>\$ 2,085,305</u>

The discount rate intervals for lease liabilities are as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Buildings and improvements	0.60%~8.57%	0.60%~8.57%	0.60%~8.57%
Office equipment	1.15% ~ 5.43%	1.15% ~ 5.43%	1.15%~5.43%
Mechanical equipment	0.60%~8.57%	0.60%~8.57%	0.60%~8.57%
Transportation equipment	0.60%~2.89%	0.60%~2.89%	0.60%~2.89%
Land	8.57%	8.57%	8.57%

### 19.3 Other lease information

	For the Three Months Ended June 30	For the Six Months Months Ended June 30	
	2025	2024	2025 2024
Short-term lease expenses	\$ 29,298	\$ 50,457	\$ 60,279 \$ 60,641
Leases of low value assets	\$ 18,608	\$ 34,905	\$ 38,103 \$ 36,908
Variable lease payments which are not included in lease liabilities measurements	\$ 2,629	\$ 1,492	\$ 5,446 \$ 2,287
Total cash outflow for leases	<u>\$ 232,006</u>	<u>\$ 251,469</u>	<u>\$ 643,772 \$ 533,270</u>

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

## 20. INVESTMENT PROPERTIES, NET

	June 30, 2025	December 31, 2024	June 30, 2024
Land	\$ 4,302,121	\$ 6,857,541	\$ 6,623,772
Buildings and improvements	975,385	1,121,001	1,119,787
	<u>\$ 5,277,506</u>	<u>\$ 7,978,542</u>	<u>\$ 7,743,559</u>

For the Six Months Ended June 30, 2025					
	Balance at January 1, 2025	Additions	Disposals	Effect of Exchange Rate Changes, Net	Balance at June 30, 2025
Cost					
Land	\$ 6,919,762	\$ -	(\$ 882,631)	(\$ 1,678,424)	\$ 4,358,707
Buildings and improvements	1,417,695	292,265	(1,242,510)	785,030	1,252,480
	<u>8,337,457</u>	<u>\$ 292,265</u>	<u>(\$ 2,125,141)</u>	<u>(\$ 893,394)</u>	<u>5,611,187</u>
Less: Accumulated depreciation					
Land	62,221	\$ 1,825	\$ -	(\$ 7,460)	56,586
Buildings and improvements	296,694	16,922	-	(36,521)	277,095
	<u>358,915</u>	<u>\$ 18,747</u>	<u>\$ -</u>	<u>(\$ 43,981)</u>	<u>333,681</u>
Net amount	<u>\$ 7,978,542</u>				<u>\$ 5,277,506</u>

For the Six Months Ended June 30, 2024					
	Balance at January 1, 2024	Additions	Disposals	Effect of Exchange Rate Changes, Net	Balance at June 30, 2024
Cost					
Land	\$ 6,244,882	\$ 70,120	\$ -	\$ 368,198	\$ 6,683,200
Buildings and improvements	1,319,172	-	-	75,890	1,395,062
	<u>7,564,054</u>	<u>\$ 70,120</u>	<u>\$ -</u>	<u>\$ 444,088</u>	<u>8,078,262</u>
Less: Accumulated depreciation					
Land	54,497	\$ 1,592	\$ -	\$ 3,339	59,428
Buildings and improvements	244,526	14,796	-	15,953	275,275
	<u>299,023</u>	<u>\$ 16,388</u>	<u>\$ -</u>	<u>\$ 19,292</u>	<u>334,703</u>
Net amount	<u>\$ 7,265,031</u>				<u>\$ 7,743,559</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 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:

	June 30, 2025	December 31, 2024	June 30, 2024
Fair value	<u>\$ 13,925,682</u>	<u>\$ 15,712,212</u>	<u>\$ 16,949,408</u>

The rental income from investment properties is stated below:

	For the Three Months Ended June 30		For the Six Months Months Ended June 30	
	2025	2024	2025	2024
Rental income from investment properties	<u>\$ 65,462</u>	<u>\$ 41,954</u>	<u>\$ 123,439</u>	<u>\$ 92,115</u>

## 21. INTANGIBLE ASSETS, NET

	June 30, 2025	December 31, 2024	June 30, 2024
Bank license	\$ 1,337,111	\$ 1,506,609	\$ 1,500,607
Computer software	595,617	687,885	641,432
Goodwill	-	-	97,820
	<u>\$ 1,932,728</u>	<u>\$ 2,194,494</u>	<u>\$ 2,239,859</u>

For the Six Months Ended June 30, 2025					
	Balance at January 1, 2025	Additions	Disposals	Effects of Exchange Rate Changes, Net	Balance at June 30, 2025
Cost					
Operating license	\$ 1,629,729	\$ -	\$ -	(\$ 173,958)	\$ 1,455,771
Computer software	1,538,709	120,964	( 142,765)	( 88,714)	1,428,194
Goodwill	-	-	-	-	-
	<u>3,168,438</u>	<u>\$ 120,964</u>	<u>(\$ 142,765)</u>	<u>(\$ 262,672)</u>	<u>2,883,965</u>
Less: Accumulated depreciation					
Operating license	123,120	\$ 9,552	\$ -	(\$ 14,012)	118,660
Computer software	850,824	169,523	( 142,765)	( 45,005)	832,577
	<u>973,944</u>	<u>\$ 179,075</u>	<u>(\$ 142,765)</u>	<u>(\$ 59,017)</u>	<u>951,237</u>
Net amount	<u>\$ 2,194,494</u>				<u>\$ 1,932,728</u>

For the Six Months Ended June 30, 2024					
	Balance at January 1, 2024	Additions	Disposals	Effects of Exchange Rate Changes, Net	Balance at June 30, 2024
Cost					
Operating license	\$ 1,526,100	\$ -	\$ -	\$ 86,730	\$ 1,612,830
Computer software	1,226,239	162,303	( 61,478)	10,451	1,337,515
Goodwill	92,560	-	-	5,260	97,820
	<u>2,844,899</u>	<u>\$ 162,303</u>	<u>(\$ 61,478)</u>	<u>\$ 102,441</u>	<u>3,048,165</u>
Less: Accumulated depreciation					
Operating license	97,087	\$ 9,393	\$ -	\$ 5,743	112,223
Computer software	620,718	141,323	( 61,478)	( 4,480)	696,083
	<u>717,805</u>	<u>\$ 150,716</u>	<u>(\$ 61,478)</u>	<u>\$ 1,263</u>	<u>808,306</u>
Net amount	<u>\$ 2,127,094</u>				<u>\$ 2,239,859</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

	June 30, 2025	December 31, 2024	June 30, 2024
Prepaid expenses	\$ 8,219,277	\$ 6,621,985	\$ 6,640,090
Temporary payments and suspension	1,857,763	1,593,986	1,379,267
Refundable deposits	2,001,978	1,715,000	2,153,291
Deferred charges	44,912	47,719	64,048
Prepaid pension cost	465,576	465,576	232,864
Others	530,824	774,677	773,326
	<u>\$ 13,120,330</u>	<u>\$ 11,218,943</u>	<u>\$ 11,242,886</u>

For the information on other pledged assets, refer to Note 37.

## 23. DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS

	June 30, 2025	December 31, 2024	June 30, 2024
Call loans from banks	\$ 33,611,639	\$ 36,139,848	\$ 23,336,009
Due to banks	6,612,470	6,112,495	1,221,799
Deposit from Chunghwa Post Co., Ltd.	1,221,799	1,221,799	7,846,553
Bank overdrafts	2,605,772	1,122,884	1,701,637
	<u>\$ 44,051,680</u>	<u>\$ 44,597,026</u>	<u>\$ 34,105,998</u>

## 24. SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

Securities sold under repurchase agreements as of June 30, 2025, December 31, 2024 and June 30, 2024 were \$3,955,500 thousand, \$4,783,153 thousand and \$7,929,084 thousand, respectively. The aforementioned securities will be repurchased by December 26, 2025, June 27, 2025, and December 27, 2024 at \$3,965,557 thousand, \$4,786,489 thousand and \$7,934,356 thousand, respectively.

## 25. PAYABLES

	June 30, 2025	December 31, 2024	June 30, 2024
Dividends payable	\$ 26,200,161	\$ 17,449,275	\$ 25,353,194
Accrued interest	7,587,420	8,448,204	9,534,769
Accounts payable	6,092,002	5,690,041	10,686,896
Acceptances	2,426,695	1,873,141	1,737,538
Accrued expenses	1,703,258	2,035,922	1,608,430
Others	904,296	935,586	902,412
	<u>\$ 44,913,832</u>	<u>\$ 36,432,169</u>	<u>\$ 49,823,239</u>

## 26. DEPOSITS AND REMITTANCES

	June 30, 2025	December 31, 2024	June 30, 2024
Time deposits	\$ 866,947,658	\$ 982,421,741	\$ 993,773,941
Savings deposits	635,503,524	636,394,734	602,310,776
Demand deposits	330,039,373	345,720,649	334,827,065
Negotiable certificates of deposit	83,513,100	70,525,400	63,856,900
Checking deposits	9,061,343	10,896,530	9,990,125
Remittances	453,371	260,986	294,285
	<u>\$ 1,925,518,369</u>	<u>\$ 2,046,220,040</u>	<u>\$ 2,005,053,092</u>

## 27. BANK DEBENTURES

### 27.1 The Bank

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

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

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

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

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

The first issuance of the 2019 bank debenture was classified into two types in accordance with the issued terms and the methods of interest accrual: Types A and B. Their terms were as follows: Type A, three-year of bank

debenture at a fixed annual interest rate of 0.65%; Type B, five-year of bank debenture at a fixed annual interest rate of 0.69%. Their interests were paid annually with repayment of principals at maturity.

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

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

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

The second issuance of the 2022 bank debenture was at a fixed annual interest rate of 1.40% with the interest paid annually and the repayment of principal at maturity.

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

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

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

The third issuance of the 2024 bank debenture was classified into two types in accordance with the issued terms and the methods of interest accrual: Types A and B. Their terms were as follows: Type A, five-year of bank debenture at a fixed annual interest rate of 1.90%; Type B, seven-year of bank debenture at a fixed annual interest rate of 1.95%. Their interests were paid annually with repayment of principals at maturity.

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

## 27.2 SCB (HK)

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
The subordinate bank debenture with a 10 years maturity and maturity date on February 2033	<u>\$ 10,163,838</u>	<u>\$ 11,371,987</u>	<u>\$ 11,247,708</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

	June 30, 2025	December 31, 2024	June 30, 2024
Principals of structured instruments	\$ 7,829,854	\$ 7,360,739	\$ 6,272,787
Appropriated loan funds	1,774,488	1,265,357	1,146,665
Commercial paper payable	199,367	69,943	-
Bank borrowings	180,000	100,000	-
Other financial liabilities	1,443,487	1,185,071	1,071,825
	<u>\$ 11,427,196</u>	<u>\$ 9,981,110</u>	<u>\$ 8,491,277</u>

## 29. PROVISIONS

	June 30, 2025	December 31, 2024	June 30, 2024
Provision for employee benefits	\$ 1,697,644	\$ 1,897,142	\$ 1,653,215
Provision for guarantees liabilities	850,974	934,386	895,051
Provision for financing commitment	128,991	129,903	272,169
Provision for unexpected losses	-	-	51,000
Provision for settlement compensation	3,565	3,565	3,565
Provision for other operations	361,015	277,928	352,871
	<u>\$ 3,042,189</u>	<u>\$ 3,242,924</u>	<u>\$ 3,227,871</u>

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

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

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (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
<b>Provisions for commitment and guarantee liability</b>							
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	( 440)	415	25	-	-	-	-
Transfer to credit impaired financial assets	( 1)	-	-	1	-	-	-
Transfer to 12-month ECLs	71,518	( 70,654)	( 864)	-	-	-	-
Financial assets derecognized in the current period	( 34,458)	( 361)	( 1,678)	( 122,958)	( 159,455)	-	( 159,455)
Provisions (reversal)	( 54,332)	31,665	232	978	( 21,457)	-	( 21,457)
Purchased or originated financial assets	80,493	1,203	2,812	-	84,508	-	84,508
The difference of impairment under the regulation or decree	-	-	-	-	-	39,007	39,007
Exchange rate and other changes	( 26,322)	( 1)	( 379)	( 225)	( 26,927)	-	( 26,927)
Balance on June 30, 2025	\$ 182,457	\$ 46,856	\$ 2,881	\$ 1,565	\$ 233,759	\$ 746,206	\$ 979,965

## For the Six Months Ended June 30, 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
<b>Provisions for commitment and guarantee liability</b>							
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	( 47)	40	7	-	-	-	-
Transfer to credit impaired financial assets	( 59)	-	( 41)	100	-	-	-
Transfer to 12-month ECLs	2,532	-	( 2,532)	-	-	-	-
Financial assets derecognized in the current period	( 121,450)	( 170,599)	( 1,633)	-	( 293,682)	-	( 293,682)
Provisions (reversal)	2,889	3,131	-	13,841	19,861	-	19,861
Purchased or originated financial assets	169,859	111,006	461	( 737)	280,589	-	280,589
The difference of impairment under the regulation or decree	-	-	-	-	-	( 160,297)	( 160,297)
Exchange rate and other changes	15,194	( 3)	( 164)	1,700	16,727	-	16,727
Balance on June 30, 2024	\$ 292,786	\$ 114,395	\$ 1,517	\$ 15,695	\$ 424,393	\$ 742,827	\$ 1,167,220

## 30. OTHER LIABILITIES

	June 30, 2025	December 31, 2024	June 30, 2024
Guarantee deposits received	\$ 2,531,113	\$ 2,472,820	\$ 2,715,311
Deferred revenue	447,375	2,471,183	639,617
Revenue received in advance	160,725	161,020	210,225
Temporary credit	91,235	58,597	92,646
Others	388,660	531,892	419,141
	<u>\$ 3,619,108</u>	<u>\$ 5,695,512</u>	<u>\$ 4,076,940</u>

## 31. PENSION PLAN

The expenses related to the post-retirement benefit plan for the six months ended June 30, 2025 and 2024 were recognized as employee benefit expenses in each period at the cost rate determined by the actuarial calculations as of December 31, 2024 and 2021. The breakdown of employee benefit expenses for the three months and six months ended June 30, 2025 and 2024 was as follows:

	For the Three Months Ended June 30		For the Six Months Months Ended June 30	
	2025	2024	2025	2024
Defined benefit liabilities	\$ 73,973	\$ 68,032	\$ 142,162	\$ 138,980
Retired employees' preferential deposit liabilities	7,500	7,500	15,000	15,000
	<u>\$ 81,473</u>	<u>\$ 75,532</u>	<u>\$ 157,162</u>	<u>\$ 153,980</u>

The Group expects to contribute \$291,928 thousand for defined benefit plan in 2025.

## 32. EQUITY

### 32.1 Share capital

#### Ordinary shares

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

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

### 32.2 Capital surplus

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

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

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

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

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

### 32.3 Retained earnings and dividend policy

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

If the Bank has no deficit and the legal reserve has exceeded 25% of the Bank's paid-in capital, the excess may be corrected into capital (share capital) or distributed in cash. However, under the Banking Act, if legal reserve is less than its paid-in capital, the Bank is allowed to distribute cash earnings only up to 15% of its capital. For the estimation on the distribution of employees' compensation and remuneration of directors, refer to employee benefits expense in Note 33(7).

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

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

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

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

#### 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 six months ended June 30, 2025.

According to Rule No. 10510001510 issued by the FSC on May 25, 2016, public banks shall appropriate to a special reserve 0.5% to 1.0% of net profit. Public banks may reverse the same amount of transfers or resettle the expenses starting from 2017. However, in accordance with Rule No. 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. There was no change in the balance of the special reserve for the six months ended June 30, 2025 at the amount of \$189,228 thousand.

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 June 30, 2025, December 31, 2024 and June 30, 2024, Shancom Reconstruction AG and China Travel Service (Taiwan) held 11,370 thousand shares and 27 thousand shares of the Bank, respectively.

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

### 32.7 Non-controlling interests

	For the Six Months Ended June 30	
	2025	2024
Beginning balance	\$ 68,956,347	\$ 60,279,352
Attributed to non-controlling interests		
Net income	1,253,335	228,395
Translation adjustments for foreign operations	( 8,131,787)	3,435,238
Unrealized gain on financial assets measured at FVTOCI	2,181,477	1,477,664
Realized gain on financial assets measured at FVTOCI	21,194	( 5,557)
Gain (loss) on investments in debt instruments measured at FVTOCI	1,105	( 3,641)
Share of other comprehensive profit and loss under the equity method	2,269	40,522
Income tax effect	( 150,929)	( 96,642)
Cash dividends distribution	( 2,384)	( 1,982)
Ending balance	<u>\$ 64,130,627</u>	<u>\$ 65,353,349</u>

## 33. DETAILS OF COMPREHENSIVE INCOME STATEMENT ITEMS

### 33.1 Interest income, net

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Interest income				
Discounts and loans	\$ 10,937,463	\$ 12,208,119	\$ 22,687,879	\$ 25,335,811
Securities investments	4,660,053	3,879,250	9,309,860	7,741,334
Due from banks	3,330,533	3,601,445	7,370,788	7,831,066
Credit card interests	32,303	29,253	64,672	59,615
Others	103,617	77,924	177,872	135,848
	<u>19,063,969</u>	<u>19,795,991</u>	<u>39,611,071</u>	<u>41,103,674</u>
Interest expense				
Deposits	9,119,149	9,798,750	19,074,441	20,668,870
Bank debentures	505,510	544,559	899,531	1,164,480
Due to banks	351,001	250,790	740,134	544,061
Structured instruments	128,150	64,192	210,721	141,049
Leased liability	17,774	16,365	35,573	34,006
Securities sold under repurchase agreements	15,213	5,486	27,077	8,313
Others	17,336	40,281	137,476	75,446
	<u>10,154,133</u>	<u>10,720,423</u>	<u>21,124,953</u>	<u>22,636,225</u>
Interest income, net	<u>\$ 8,909,836</u>	<u>\$ 9,075,568</u>	<u>\$ 18,486,118</u>	<u>\$ 18,467,449</u>



### 33.2 Service fee income, net

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Service fee income				
Trust and custody services	\$ 541,208	\$ 457,634	\$ 1,187,194	\$ 935,200
Insurance commission fees	584,341	456,054	1,138,147	889,015
Loan service fees	238,800	207,391	605,966	604,703
Nominee and brokerage service charge	303,121	163,192	538,421	312,671
Guarantees related fees	153,940	159,954	310,256	340,084
Credit card related fees	156,099	157,849	312,018	324,470
Exchange related fees	92,204	84,390	183,405	176,646
Inward/outward business	49,475	54,458	102,294	111,797
Others (Note)	202,863	205,566	434,680	390,993
	<u>2,322,051</u>	<u>1,946,488</u>	<u>4,812,381</u>	<u>4,085,579</u>
Service charge				
Credit card service charge	\$ 90,986	\$ 89,089	\$ 179,663	\$ 186,867
Nominee and brokerage service charge	28,297	27,629	57,430	56,485
Finance service charge	10,221	17,857	26,538	35,233
Custody service charge	8,078	7,487	16,925	14,551
Inter-bank service charge	3,940	3,299	7,930	7,213
Others	156,416	140,407	292,703	274,087
	<u>297,938</u>	<u>285,768</u>	<u>581,189</u>	<u>574,436</u>
Service fee income, net	<u>\$ 2,024,113</u>	<u>\$ 1,660,720</u>	<u>\$ 4,231,192</u>	<u>\$ 3,511,143</u>

Note: Individual items did not exceed 5% of the total amount.

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

	For the Three Months Ended June 30, 2025		
	Realized Gain (Loss)	Unrealized Gain (Loss)	Total
Financial assets mandatorily classified as at FVTPL	\$ 2,691,198	(\$ 493,836)	\$ 2,197,362
Held-for-trading financial liabilities	( 2,356,897)	484,594	( 1,872,303)
Financial liabilities designated at FVTPL	-	3,674	3,674
	<u>\$ 334,301</u>	<u>(\$ 5,568)</u>	<u>\$ 328,733</u>
	For the Three Months Ended June 30, 2024		
	Realized Gain (Loss)	Unrealized Gain (Loss)	Total
Financial assets mandatorily classified as at FVTPL	\$ 4,373,258	\$ 803,621	\$ 5,176,879
Held-for-trading financial liabilities	( 5,442,648)	( 1,217,560)	( 6,660,208)
Financial liabilities designated at FVTPL	-	51,453	51,453
	<u>(\$ 1,069,390)</u>	<u>(\$ 362,486)</u>	<u>(\$ 1,431,876)</u>
	For the Six Months Months Ended June 30, 2025		
	Realized Gain (Loss)	Unrealized Gain (Loss)	Total
Financial assets mandatorily classified as at FVTPL	\$ 5,118,319	(\$ 1,184,338)	\$ 3,933,981
Held-for-trading financial liabilities	( 4,895,544)	1,748,182	( 3,147,362)
Financial liabilities designated at FVTPL	-	( 56,400)	( 56,400)
	<u>\$ 222,775</u>	<u>\$ 507,444</u>	<u>\$ 730,219</u>
	For the Six Months Months Ended June 30, 2024		
	Realized Gain (Loss)	Unrealized Gain (Loss)	Total
Financial assets mandatorily classified as at FVTPL	\$ 6,859,628	\$ 405,096	\$ 7,264,724
Held-for-trading financial liabilities	( 8,532,180)	( 2,210,656)	( 10,742,836)
Financial liabilities designated at FVTPL	-	178,778	178,778
	<u>(\$ 1,672,552)</u>	<u>(\$ 1,626,782)</u>	<u>(\$ 3,299,334)</u>

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

	For the Three Months Ended June 30		For the Six Months Months Ended June 30	
	2025	2024	2025	2024
Dividend income	\$ 1,465,860	\$ 1,562,750	\$ 1,809,076	\$ 1,833,438
Disposal of debt instruments	79,798	76,153	116,383	273,533
	<u>\$ 1,545,658</u>	<u>\$ 1,638,903</u>	<u>\$ 1,925,459</u>	<u>\$ 2,106,971</u>

### 33.5 Other non-interest income

	For the Three Months Ended June 30		For the Six Months Months Ended June 30	
	2025	2024	2025	2024
Rent revenue	\$ 81,258	\$ 109,333	\$ 158,849	\$ 240,194
(Loss) gain on disposal and write-off of property and equipment	21	( 733)	( 1,133)	( 376)
Provision for settlement and compensation	-	( 51,000)	-	( 51,000)
Others	63,458	73,922	112,156	131,091
	<u>\$ 144,737</u>	<u>\$ 131,522</u>	<u>\$ 269,872</u>	<u>\$ 319,909</u>

### 33.6 Employment benefits expense

	For the Three Months Ended June 30		For the Six Months Months Ended June 30	
	2025	2024	2025	2024
Short-term employment benefits	\$ 2,787,468	\$ 2,430,208	\$ 5,671,320	\$ 4,993,688
Retirement benefits				
Defined contribution plan	146,716	123,013	288,287	253,345
Defined benefit plan	73,973	68,032	142,162	138,980
Other benefit plan	61,146	141,243	211,587	294,988
	<u>\$ 3,069,303</u>	<u>\$ 2,762,496</u>	<u>\$ 6,313,356</u>	<u>\$ 5,681,001</u>

### 33.7 Employees' compensation and remuneration of directors

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

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

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

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

	For the Year Ended December 31			
	2024		2023	
	Cash	Shares	Cash	Shares
Employees' compensation	<u>\$ 76,000</u>	<u>\$ -</u>	<u>\$ 76,000</u>	<u>\$ -</u>
Remuneration of directors	<u>\$ 40,420</u>	<u>\$ -</u>	<u>\$ 46,000</u>	<u>\$ -</u>

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 2024 and 2023 is available on the Market Observation Post System website of the Taiwan Stock Exchange.

### 33.8 Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Months Ended June 30	
	2025	2024	2025	2024
Depreciation expense				
Properties	\$ 205,437	\$ 167,260	\$ 420,225	\$ 349,427
Right-of-use assets	206,632	185,821	406,600	388,892
Investment properties	9,348	7,464	18,748	16,388
	<u>421,417</u>	<u>360,545</u>	<u>845,573</u>	<u>754,707</u>
Amortization expense				
Intangible assets	89,547	70,128	179,075	150,716
Other assets	1,160	9,158	3,931	22,938
	<u>90,707</u>	<u>79,286</u>	<u>183,006</u>	<u>173,654</u>
	<u>\$ 512,124</u>	<u>\$ 439,831</u>	<u>\$ 1,028,579</u>	<u>\$ 928,361</u>

## 34. INCOME TAXES RELATING TO CONTINUING OPERATIONS

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

The major components of tax expenses were as follows:

	For the Three Months Ended June 30		For the Six Months Months Ended June 30	
	2025	2024	2025	2024
Current tax				
In respect of the current year	\$ 1,832,162	\$ 817,884	\$ 2,839,269	\$ 1,809,676
In respect of prior periods	89,735	153,744	87,393	151,157
Undistributed retained earnings	52,953	580,841	52,953	580,841
	<u>1,974,850</u>	<u>1,552,469</u>	<u>2,979,615</u>	<u>2,541,674</u>
Deferred tax				
In respect of the current year	( 2,050,930)	( 1,230,871)	( 1,930,362)	( 781,464)
In respect of prior periods	-	( 815)	-	( 815)
	<u>( 2,050,930)</u>	<u>( 1,231,686)</u>	<u>( 1,930,362)</u>	<u>( 782,279)</u>
Income tax (income) expense recognized in profit or loss	<u>(\$ 76,080)</u>	<u>\$ 320,783</u>	<u>\$ 1,049,253</u>	<u>\$ 1,759,395</u>

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

	For the Three Months Ended June 30		For the Six Months Months Ended June 30	
	2025	2024	2025	2024
Deferred income tax				
Recognized in other comprehensive income				
Translation adjustments for foreign operations	(\$ 1,977,522)	(\$ 126,428)	(\$ 1,614,915)	(\$ 1,072,936)
Unrealized gain or loss on financial assets measured at FVTOCI	( 311,691)	( 204,711)	( 219,916)	( 17,924)
Income tax (income) expense recognized in other comprehensive income	<u>(\$ 2,289,213)</u>	<u>(\$ 331,139)</u>	<u>(\$ 1,834,831)</u>	<u>(\$ 1,090,860)</u>

### 34.3 Income tax assessments

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

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

## 35. EARNINGS PER SHARE

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

	Unit: NT\$ Per Share			
	For the Three Months Ended June 30		For the Six Months Months Ended June 30	
	2025	2024	2025	2024
Basic earnings per share	\$ 0.65	\$ 0.31	\$ 1.61	\$ 1.20
Diluted earnings per share	\$ 0.65	\$ 0.31	\$ 1.61	\$ 1.20

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

### Net Profit for the Period

	For the Three Months Ended June 30		For the Six Months Months Ended June 30	
	2025	2024	2025	2024
Earnings used in the computation of basic and diluted earnings per share	\$ 3,137,005	\$ 1,468,332	\$ 7,804,075	\$ 5,802,861

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

	For the Three Months Ended June 30		For the Six Months Months Ended June 30	
	2025	2024	2025	2024
Weighted average number of ordinary shares in computation of basic earnings per share	4,850,206	4,850,206	4,850,206	4,850,206
Effect of potentially dilutive ordinary shares:				
Employees' compensation	819	651	1,361	1,182
Weighted average number of ordinary shares used in the computation of diluted earnings per share	4,851,025	4,850,857	4,851,567	4,851,388

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

## 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, related management and Substantive related party

### 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

	June 30, 2025			For the Six Months Ended June 30, 2025
	Maximum Balance	Ending Balance	Interest Rate (%)	Interest Expense
Directors and related management	\$ 6,100,091	\$ 6,065,819	0.00~4.30	\$ 78,610
IBF Securities Co., Ltd.	5,585,919	5,585,919	0.64~1.60	18,760
Financial Information Service Co., Ltd.	982,186	784,352	0.00~1.70	10,721
The SCSB Cultural & Educational Foundation	310,229	303,823	0.00~1.72	2,052
Employees	163,201	107,502	0.00~10.98	1,671
Others	308,961	306,419	0.00~4.00	500
	<u>\$ 13,450,587</u>	<u>\$ 13,153,834</u>		<u>\$ 112,314</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>

  

	June 30, 2024			For the Six Months Ended June 30, 2024
	Maximum Balance	Ending Balance	Interest Rate (%)	Interest Expense
Directors and related management	\$ 6,523,956	\$ 6,184,270	0.00~5.50	\$ 175,648
IBF Securities Co., Ltd.	5,365,987	5,231,683	0.55~1.45	7,902
Financial Information Service Co., Ltd.	965,709	965,709	0.55~1.45	3,224
The SCSB Cultural & Educational Foundation	329,631	299,266	0.00~1.72	2,387
Employees	258,345	125,476	0.00~10.81	1,810
Others	226,634	161,627	0.00~4.80	1,028
	<u>\$ 13,670,262</u>	<u>\$ 12,968,031</u>		<u>\$ 191,999</u>

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

	June 30, 2025	December 31, 2024	June 30, 2024
Directors and related management	<u>\$ 94</u>	<u>\$ 105</u>	<u>\$ 70</u>

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

	June 30, 2025	December 31, 2024	June 30, 2024
IBF Securities Co., Ltd.	\$ 1,636	\$ 1,607	\$ 7,029
Financial Information Service Co., Ltd.	849	2,440	5,034
Directors and related management	547	630	522
The SCSB Cultural & Educational Foundation	89	100	90
The SCSB Charity Foundation	3	3	81
	<u>\$ 3,124</u>	<u>\$ 4,780</u>	<u>\$ 12,756</u>

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

	June 30, 2025	December 31, 2024	June 30, 2024
The SCSB Cultural & Educational Foundation	<u>\$ 318</u>	<u>\$ 318</u>	<u>\$ 318</u>

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

	For the Three Months Ended June 30		For the Six Months Months Ended June 30	
	2025	2024	2025	2024
The SCSB Cultural & Educational Foundation	<u>\$ 320</u>	<u>\$ 320</u>	<u>\$ 641</u>	<u>\$ 641</u>

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

### 36.2.6 Loans

June 30, 2025									
Category	Name	Maximum Balance	Ending Balance	Performance		Collateral	Interest Rate (%)	Difference of Terms of the Transactions with Unrelated Parties	For the Six Months Ended June 30, 2025
				Normal Loans	Non-performing Loans				Interest Income
Loans for personal house mortgage	Directors and related management (3)	\$ 21,673	\$ 20,984	\$ 20,984	\$ -	Real estate	2.18~2.48	None	\$ 244
Others	Directors and related management (10)	204,228	202,303	202,303	-	Real estate	2.18~2.51	None	15,511
	Directors and related management (3)	<u>1,012</u>	<u>868</u>	<u>868</u>	<u>-</u>	None	2.23~2.54	None	<u>11</u>
		<u>\$ 226,913</u>	<u>\$ 224,155</u>	<u>\$ 224,155</u>	<u>\$ -</u>				<u>\$ 15,766</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>
June 30, 2024									
Category	Name	Maximum Balance	Ending Balance	Performance		Collateral	Interest Rate (%)	Difference of Terms of the Transactions with Unrelated Parties	For the Six Months Ended June 30, 2024
				Normal Loans	Non-performing Loans				Interest Income
Loans for personal house mortgage	Directors and related management (2)	\$ 18,975	\$ 18,557	\$ 18,557	\$ -	Real estate	1.88~2.21	None	\$ 205
Others	Directors and related management (7)	269,918	208,249	208,249	-	Real estate/financial instruments	1.82~2.39	None	16,755
	Directors and related management (4)	<u>2,094</u>	<u>1,884</u>	<u>1,884</u>	<u>-</u>	None	1.86~2.41	None	<u>23</u>
		<u>\$ 290,987</u>	<u>\$ 228,690</u>	<u>\$ 228,690</u>	<u>\$ -</u>				<u>\$ 16,983</u>

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

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

### 36.2.7 Donation

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

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

Name of related-party	Transaction Amount		Gain on Disposal	
	For the Six Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Others	\$ 48,638	\$ -	\$ 12,306	\$ -

### 36.3 Compensation of directors and management personnel

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Salaries and other short-term employee benefits	\$ 94,600	\$ 93,044	\$ 206,387	\$ 200,071
Remuneration of directors	36,385	30,544	70,393	62,124
Post-employment benefits	12,692	12,106	26,785	26,495
Bonuses and employees' compensation	839	4,145	10,587	18,971
Others	223	-	68,843	167
	<u>\$ 144,739</u>	<u>\$ 139,839</u>	<u>\$ 382,995</u>	<u>\$ 307,828</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.

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

On June 30, 2025, December 31, 2024 and June 30, 2024, the Bank provided financial assets at FVTOCI listed below which had been provided as operating guarantees.

	June 30, 2025	December 31, 2024	June 30, 2024	Guaranty Purpose
The Bank				
Financial assets at FVTOCI	\$ 476,195	\$ 448,643	\$ 440,754	Operating guarantee

On June 30, 2025, December 31, 2024 and June 30, 2024, the Group's subsidiaries provided financial assets as guarantees listed below:

	June 30, 2025	December 31, 2024	June 30, 2024	Guaranty Purpose
Investments in debt instruments measured at amortized cost	\$ 4,564,034	\$ 3,615,875	\$ 17,839,820	Operating guarantee
Financial assets at FVTOCI	9,360,410	12,579,686	6,576,597	Operating guarantee
Due from the Central Bank and call loans to banks	1,577,519	1,999,299	2,004,803	Operating guarantee
Financial assets at FVTPL	-	-	4,327,041	Guaranteed loan
Due from the Central Bank and call loans to banks	-	-	1,051	Guaranteed loan
Other assets	512,401	623,663	150,891	Guaranteed derivative
	<u>\$ 16,014,364</u>	<u>\$ 18,818,523</u>	<u>\$ 30,900,203</u>	

## 38. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

	June 30, 2025	December 31, 2024	June 30, 2024
Commitments of forward contracts with customers	\$ 616,803,534	\$ 477,107,270	\$ 488,519,223
Securities in custody	218,074,476	238,131,966	224,080,099
Assets under trust	227,793,993	240,488,399	232,376,934
Guarantee notes payable	105,153,890	99,753,100	116,484,290
Government bonds in brokerage accounts	36,239,600	31,660,000	46,032,700
Receivables under custody	22,728,357	23,815,769	23,629,985
Short-term bills in brokerage accounts	1,775,130	1,468,140	2,257,170

### 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

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

## 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:

	June 30, 2025		December 31, 2024		June 30, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>						
Investments in debt instruments measured at amortized cost	\$ 212,375,654	\$ 212,342,627	\$ 235,146,758	\$ 235,030,208	\$ 239,852,440	\$ 239,588,702
<b>Financial liabilities</b>						
Bank debentures	57,483,838	57,809,678	59,591,987	59,864,065	63,517,708	63,859,067

#### 40.1.2 Fair value level

	June 30, 2025			
	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>				
Financial assets measured at amortized cost	\$ 212,342,627	\$ 17,797,795	\$ 194,544,832	\$ -
<b>Financial liabilities</b>				
Bank debentures	57,809,678	-	57,809,678	-



December 31, 2024				
	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>				
Financial assets measured at amortized cost	\$ 235,030,208	\$ 26,980,092	\$ 208,050,116	\$ -
<b>Financial liabilities</b>				
Bank debentures	59,864,065	-	59,864,065	-
June 30, 2024				
	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>				
Financial assets measured at amortized cost	\$ 239,588,702	\$ 51,677,345	\$ 187,911,357	\$ -
<b>Financial liabilities</b>				
Bank debentures	63,859,067	-	63,859,067	-

#### 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		June 30, 2025			
Measured at Fair Value		Total	Level 1	Level 2	Level 3
<b>Non-derivative financial instruments</b>					
<b>Assets</b>					
Financial assets measured at FVTPL					
Financial assets mandatorily classified as at FVTPL					
Shares	\$	577,787	\$ 519,880	\$ -	\$ 57,907
Bonds		2,559,856	2,403,953	155,903	-
Financial assets at FVTOCI					
Equity instruments		52,342,795	48,251,180	-	4,091,615
Debt instruments		416,469,366	258,123,723	158,334,918	10,725
	\$	<u>471,949,804</u>	<u>\$ 309,298,736</u>	<u>\$ 158,490,821</u>	<u>\$ 4,160,247</u>
<b>Liabilities</b>					
Financial liabilities measured at FVTPL	\$	<u>2,183,625</u>	<u>\$ -</u>	<u>\$ 2,183,625</u>	<u>\$ -</u>
<b>Derivative financial instruments</b>					
<b>Assets</b>					
Financial assets measured at FVTPL	\$	<u>5,236,651</u>	<u>\$ 681,830</u>	<u>\$ 4,513,983</u>	<u>\$ 40,838</u>
<b>Liabilities</b>					
Financial liabilities measured at FVTPL	\$	<u>4,740,954</u>	<u>\$ 9,348</u>	<u>\$ 4,683,906</u>	<u>\$ 47,700</u>

Financial Instruments Measured at Fair Value	December 31, 2024			
	Total	Level 1	Level 2	Level 3
<b>Non-derivative financial instruments</b>				
<b>Assets</b>				
Financial assets measured at FVTPL				
Financial assets mandatorily classified as at FVTPL				
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>
<b>Non-derivative financial instruments</b>				
<b>Liabilities</b>				
Financial liabilities measured at FVTPL	<u>\$ 2,438,063</u>	<u>\$ -</u>	<u>\$ 2,438,063</u>	<u>\$ -</u>
<b>Derivative financial instruments</b>				
<b>Assets</b>				
Financial assets measured at FVTPL	<u>\$ 4,020,286</u>	<u>\$ 559,993</u>	<u>\$ 3,460,293</u>	<u>\$ -</u>
<b>Liabilities</b>				
Financial liabilities measured at FVTPL	<u>\$ 3,387,845</u>	<u>\$ 294</u>	<u>\$ 3,387,551</u>	<u>\$ -</u>
Financial Instruments Measured at Fair Value	June 30, 2024			
	Total	Level 1	Level 2	Level 3
<b>Non-derivative financial instruments</b>				
<b>Assets</b>				
Financial assets measured at FVTPL				
Financial assets mandatorily classified as at FVTPL				
Shares	\$ 484,952	\$ 427,660	\$ -	\$ 57,292
Bonds	5,832,055	5,825,533	6,522	-
Financial assets at FVTOCI				
Equity instruments	51,136,663	46,518,868	-	4,617,795
Debt instruments	367,706,047	217,261,938	149,539,367	904,742
	<u>\$ 425,159,717</u>	<u>\$ 270,033,999</u>	<u>\$ 149,545,889</u>	<u>\$ 5,579,829</u>
<b>Liabilities</b>				
Financial liabilities measured at FVTPL	<u>\$ 2,495,305</u>	<u>\$ -</u>	<u>\$ 2,495,305</u>	<u>\$ -</u>
<b>Derivative financial instruments</b>				
<b>Assets</b>				
Financial assets measured at FVTPL	<u>\$ 3,019,177</u>	<u>\$ 448,338</u>	<u>\$ 2,570,839</u>	<u>\$ -</u>
<b>Liabilities</b>				
Financial liabilities measured at FVTPL	<u>\$ 3,914,013</u>	<u>\$ 1,089</u>	<u>\$ 3,912,924</u>	<u>\$ -</u>

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

## 40.2.2 Reconciliation of Level 3 fair value measurement

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

Item	Beginning Balance	Amount of Valuation Gain or Loss		Addition		Reduction		Exchange	Ending Balance
		Included in Profit or Loss	Included in Other Comprehensive Income	Buy or Issue	Transferred In	Sell Out, Disposal or Settlement	Transferred Out from Third Level		
Assets									
Financial assets measured at FVTPL	\$ 65,545	\$ 40,838	\$ -	\$ -	\$ -	\$ -	\$ -	(\$ 7,638)	\$ 98,745
Financial assets measured at FVTOCI	4,763,812	-	( 404,816)	-	-	-	-	( 256,656)	4,102,340
Liabilities									
Financial liabilities measured at FVTPL held for trading	-	47,700	-	-	-	-	-	-	47,700

### For the Six Months Ended June 30, 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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,117	\$ 57,292
Financial assets measured at FVTOCI	4,500,585	-	62,518	-	876,150	-	-	83,284	5,522,537

## 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 June 30, 2025	Valuation Techniques	Significant Unobservable Inputs	Interval (Weighted-Average)	Notes
Financial assets measured at FVTPL Shares	\$ 57,907	Market approach	P/B ratio	100%	Positively correlated to fair value
Financial assets measured at FVTOCI Shares	4,091,615	1. Market approach	1. Market liquidity reduction	1. 10%-19%	1. Negatively correlated to fair value
		2. Net asset value method	2. Market liquidity reduction	2. 10%-19%	2. Negatively correlated to fair value
		3. Discounted dividend method	3. Capital cost	3. 11.5%	3. Negatively correlated to fair value
			4. Sustainable growth rate	4. 1.7%	4. Negatively correlated to fair value
			5. Dividend growth rate	5. 15%-30%	5. Positively correlated to fair value
Bonds	10,725	Discounted cash flow method	Discount rate	0%-10%	Negatively correlated to fair value
Financial assets measured at FVTPL derivatives	40,838	External bank quotes	Not applicable	Not applicable	Not applicable
Financial liabilities measured at FVTPL derivatives	47,700	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	1. Market liquidity reduction	1. 10%~19%	1. Negatively correlated to fair value
		2. Net asset value method	2. Market liquidity reduction	2. 10%~19%	2. Negatively correlated to fair value
		3. Discounted dividend method	3. Capital cost	3. 15.12%	3. Negatively correlated to fair value
			4. Sustainable growth rate	4. 13.05%	4. Negatively correlated to fair value
Bonds	12,138	Discounted cash flow method	Discount rate	0%~10%	Negatively correlated to fair value

Measuring at fair value on a repeatability basis	Fair Value June 30, 2024	Valuation Techniques	Significant Unobservable Inputs	Interval (Weighted-Average)	Notes
Financial assets measured at FVTPL Shares	\$ 57,292	Market approach	Price to book ratio	100%	Positively correlated to fair value
Financial assets measured at FVTOCI Shares	4,617,795	1. Market approach	1. Market liquidity reduction	1. 10%-19%	1. Negatively correlated to fair value
		2. Net asset value method	2. Market liquidity reduction	2. 10%-19%	2. Negatively correlated to fair value
		3. Discounted dividend method	3. Capital cost	3. 11.5%	3. Negatively correlated to fair value
			4. Dividend yield	4. 1.7%	4. Positively correlated to fair value
			5. Dividend growth rate	5. 17%-31%	5. Positively correlated to fair value
Bonds	904,742	1. Counterparty quote	1. Not applicable	1. Not applicable	1. Not applicable
		2. Discounted cash flow method	2. Discount rate	2. 0%-10%	2. 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:

#### June 30, 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	\$ 578	(\$ 578)	\$ -	\$ -
Financial assets measured at FVTOCI	-	-	32,095	( 32,095)

#### 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)

#### June 30, 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	\$ 569	(\$ 569)	\$ -	\$ -
Financial assets measured at FVTOCI	-	-	29,028	( 24,805)

## 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 three categories: corporate finance, personal finance and credit risk. 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 June 30, 2025.

d. Forward-looking information considerations

When measuring the expected credit losses, the Bank uses forward-looking economic factors that affect credit risk and takes such forward-looking information regarding expected credit losses into consideration. Based on professional economic judgment, the Bank uses 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 June 30, 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:

## June 30, 2025

	Book Value	Maximum Exposure to Credit Risk Mitigated by			
		Collateral	Master Netting Arrangement	Other Credit Enhancement	Total
Financial instruments subject to IFRS 9 impairment requirements and credit impairment					
Receivables	\$ 1,336,624	\$ 455,830	\$ -	\$ -	\$ 455,830
Discounts and loans	25,304,186	21,119,300	-	669,191	21,788,491

## December 31, 2024

	Book Value	Maximum Exposure to Credit Risk Mitigated by			
		Collateral	Master Netting Arrangement	Other Credit Enhancement	Total
Financial instruments subject to IFRS 9 impairment requirements and credit impairment					
Receivables	\$ 1,333,574	\$ 281,781	\$ -	\$ -	\$ 281,781
Discounts and loans	19,646,503	13,705,495	-	804,697	14,510,192

## June 30, 2024

	Book Value	Maximum Exposure to Credit Risk Mitigated by			
		Collateral	Master Netting Arrangement	Other Credit Enhancement	Total
Financial instruments subject to IFRS 9 impairment requirements and credit impairment					
Receivables	\$ 586,505	\$ 199,505	\$ -	\$ -	\$ 199,505
Discounts and loans	18,714,904	11,469,763	-	866,318	12,336,081

### (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:

	June 30, 2025	December 31, 2024	June 30, 2024
Other guarantees	\$ 75,210,386	\$ 81,497,110	\$ 78,506,781
Issued and non-cancelable loan commitments	36,218,616	40,210,298	59,019,571
Issued but unused letters of credit	30,012,789	35,130,621	34,414,884
Non-cancelable credit card commitments	567,372	586,880	562,748

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:

	June 30, 2025			
	12-Month ECLs	Lifetime ECLs - Unimpaired	Lifetime ECLs - Impaired	Total
Discounts and loans				
Consumer banking				
-Mortgage	\$ 340,798,077	\$ 1,478,408	\$ 2,332,366	\$ 344,608,851
-Microcredit	21,739,055	151,311	1,427,341	23,317,707
-Others	45,968,200	86,355	530,424	46,584,979
Corporate banking				
-Secured	413,165,982	12,635,356	17,664,295	443,465,633
-Unsecured	288,527,038	19,090,815	3,349,760	310,967,613
Total	\$ 1,110,198,352	\$ 33,442,245	\$ 25,304,186	\$ 1,168,944,783
Accounts receivable (including non-performing credit card receivables)				
Credit cards	\$ 3,206,145	\$ 218,528	\$ 74,257	\$ 3,498,930
Others	26,873,638	87,545	1,262,366	28,223,549
Total	\$ 30,079,783	\$ 306,073	\$ 1,336,623	\$ 31,722,479
Debt instruments measured at FVTOCI	\$ 419,993,783	\$ 305,191	\$ -	\$ 420,298,974
Investments in debt instruments measured at amortized cost	\$ 212,379,115	\$ -	\$ -	\$ 212,379,115

	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

	June 30, 2024			
	12-Month ECLs	Lifetime ECLs - Unimpaired	Lifetime ECLs - Impaired	Total
Discounts and loans				
Consumer banking				
-Mortgage	\$ 327,212,268	\$ 1,823,527	\$ 679,391	\$ 329,715,186
-Microcredit	22,540,203	1,332,105	1,133,445	25,005,753
-Others	47,684,510	170,964	989,007	48,844,481
Corporate banking				
-Secured	480,423,506	13,957,385	9,057,659	503,438,550
-Unsecured	307,956,641	23,486,217	6,855,402	338,298,260
Total	\$ 1,185,817,128	\$ 40,770,198	\$ 18,714,904	\$ 1,245,302,230
Accounts receivable (including non-performing credit card receivables)				
Credit cards	\$ 4,847,007	\$ 224,019	\$ 68,727	\$ 5,139,753
Others	18,914,222	113,226	517,778	19,545,226
Total	\$ 23,761,229	\$ 337,245	\$ 586,505	\$ 24,684,979
Debt instruments measured at FVTOCI	\$ 376,990,425	\$ 826,156	\$ -	\$ 377,816,581
Investments in debt instruments measured at amortized cost	\$ 239,858,716	\$ -	\$ -	\$ 239,858,716

#### (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	June 30, 2025		December 31, 2024		June 30, 2024	
	Amount	%	Amount	%	Amount	%
Private sector	\$ 659,177,944	56	\$ 726,087,738	59	\$ 732,740,856	59
Consumer	454,149,364	40	453,777,954	36	444,637,205	36
Financial institution	50,945,717	4	51,020,491	4	60,703,686	5
Others	4,671,758	-	7,859,337	1	7,220,483	-
	<u>\$ 1,168,944,783</u>	<u>100</u>	<u>\$ 1,238,745,520</u>	<u>100</u>	<u>\$ 1,245,302,230</u>	<u>100</u>

##### B. Region

Region	June 30, 2025		December 31, 2024		June 30, 2024	
	Amount	%	Amount	%	Amount	%
Taiwan	\$ 796,744,060	68	\$ 788,810,986	64	\$ 772,841,992	62
Asia Pacific except Taiwan	269,305,625	23	316,090,626	25	328,586,445	26
Others	102,895,098	9	133,843,908	11	143,873,793	12
	<u>\$ 1,168,944,783</u>	<u>100</u>	<u>\$ 1,238,745,520</u>	<u>100</u>	<u>\$ 1,245,302,230</u>	<u>100</u>

## C. Collateral

Collaterals Assumed	June 30, 2025		December 31, 2024		June 30, 2024	
	Amount	%	Amount	%	Amount	%
Unsecured	\$ 306,313,041	26	\$ 339,906,786	27	\$ 338,882,294	27
Secured						
Properties	765,737,163	66	794,984,935	64	798,835,492	64
Guarantee	53,642,619	5	56,909,172	4	61,931,063	5
Financial collateral	24,241,287	2	25,033,199	2	26,642,930	2
Personal properties	2,492,296	-	2,883,481	1	2,718,396	-
Other collateral	16,518,377	1	19,027,947	2	16,292,055	2
	<u>\$ 1,168,944,783</u>	<u>100</u>	<u>\$ 1,238,745,520</u>	<u>100</u>	<u>\$ 1,245,302,230</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 (PV01, Delta, Beta) etc. Measurement of investment portfolio is affected by interest rate risk, foreign exchange risk and price of equity securities.

## B. Monitoring and reporting

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

## (4) Interest rate risk management

### A. Definition of interest rate risk

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

### B. Purpose of interest risk management

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

### C. Procedures of interest risk management

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

When the Group undertakes business activities related to interest rate commodities, it will identify interest rate reprising risks and yield curve risks, and measure the possible impact of interest rate changes on the Group's earnings and economic value. The Group reports the analysis and monitoring of limit on interest rate risk position and various interest rate management objectives to the strategy management committee and the board of directors on a monthly.

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

### D. Measurement methods

The Group measures risks of price reset periods gap from difference in maturity date and price reset date of assets, liabilities, and off-balance sheet items. The Group also established interest rate sensitivity monitoring index for major periods in order to maintain long-term profitability and business growth. Such interest rate indexes and results of pressure test are reviewed by management personnel regularly. In addition, the Group regularly uses DV01 and IRRBB to measure portfolio affected by interest rate.

## (5) Foreign exchange rate risk management

### A. Definition of foreign exchange rate risk

Foreign exchange risk means losses resulting from currencies exchange at different times. The Group's foreign exchange rate risk results mainly from spot and forward foreign exchange. The

Group's foreign exchange rate risk is relatively insignificant due to the fact that transactions are basically settled immediately on transaction date.

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

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

The Group undertakes pressure test on a seasonal basis and uses 3%-10% fluctuation in major foreign exchange rate (USD) as the sensitivity threshold and reports test results to the board of directors.

(6) Equity securities price risk management

A. Definition of equity securities price risk

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

B. Purpose of equity security price risk management

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

C. Procedures of equity security price risk management

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

D. Measurement method

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

(7) Market valuation technique

The 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 June 30, 2025, December 31, 2024 and June 30, 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 June 30, 2025, December 31, 2024



and June 30, 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 June 30, 2025, December 31, 2024 and June 30, 2024 rise or fall by 1% while other factors remain unchanged.

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

B. Sensitivity analysis is summarized as follows:

June 30, 2025			
Major Risk	Fluctuation Range	Amount	
		Equity	Profit or Loss
Foreign exchange risk	Foreign currency appreciated 1% against the NTD	\$ 871,844	\$ 2,427
	Foreign currency depreciated 1% against NTD	( 871,844)	( 2,427)
Interest rate risk	Interest rate curve edged up 1bp	( 86,997)	3,943
	Interest rate curve edged down 1bp	86,997	( 3,943)
Equity price risk	Equity price increased 1%	423,415	( 1,335)
	Equity price decreased 1%	( 423,415)	1,335

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

June 30, 2024			
Major Risk	Fluctuation Range	Amount	
		Equity	Profit or Loss
Foreign exchange risk	Foreign currency appreciated 1% against the NTD	\$ 852,376	\$ 16,608
	Foreign currency depreciated 1% against NTD	( 852,376)	( 16,608)
Interest rate risk	Interest rate curve edged up 1bp	( 81,984)	11,613
	Interest rate curve edged down 1bp	81,984	( 11,613)
Equity price risk	Equity price increased 1%	263,338	1,329
	Equity price decreased 1%	( 263,338)	( 1,329)

#### 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.

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:

June 30, 2025	0~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Due to the central bank and banks	\$ 31,391,385	\$ 3,671,905	\$ 3,118,887	\$ 2,270,116	\$ 3,599,387	\$ 44,051,680
Financial liabilities measured at FVTPL	-	-	-	-	2,249,185	2,249,185
Securities sold under repurchase agreements	3,367,888	333,155	254,457	-	-	3,955,500
Payables	41,220,613	1,396,574	982,953	497,509	816,183	44,913,832
Deposits and remittances	1,033,064,994	444,173,164	237,121,047	197,205,259	13,953,905	1,925,518,369
Bank debentures	-	1,326,767	-	326,767	55,830,304	57,483,838
Other financial liabilities	9,689,470	102,173	84,408	176,765	1,374,380	11,427,196
Lease liabilities	35,607	70,946	164,474	197,101	1,208,140	1,676,268

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

June 30, 2024	0~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Due to the central bank and banks	\$ 20,996,059	\$ 3,023,759	\$ 930,165	\$ 3,506,841	\$ 5,649,174	\$ 34,105,998
Financial liabilities measured at FVTPL	-	-	-	-	2,543,756	2,543,756
Securities sold under repurchase agreements	7,282,655	344,099	302,330	-	-	7,929,084
Payables	46,380,059	1,248,732	957,370	483,827	753,251	49,823,239
Deposits and remittances	1,038,557,837	491,768,300	248,293,482	211,160,319	15,273,154	2,005,053,092
Bank debentures	-	7,262,021	-	362,021	55,893,666	63,517,708
Other financial liabilities	7,375,612	94,567	59,991	124,437	836,670	8,491,277
Lease liabilities	41,561	83,424	129,388	287,314	1,543,618	2,085,305

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

June 30, 2025	0~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Derivative financial liabilities measured at FVTPL						
Foreign exchange derivatives	\$ 67,330	\$ 43,601	\$ 43,173	\$ 52,582	\$ -	\$ 206,686
Interest rate derivatives	2,421	40	107	10,368	331,619	344,555
Equity securities derivatives	9,458	-	-	-	-	9,458

December 31, 2024	0~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Derivative financial liabilities measured at FVTPL						
Foreign exchange derivatives	\$ 32,353	\$ 11,129	\$ 7,044	\$ 54,773	\$ -	\$ 105,299
Interest rate derivatives	232	136	973	425	463,080	464,846

June 30, 2024	0~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Derivative financial liabilities measured at FVTPL						
Foreign exchange derivatives	\$ 33,321	\$ 35,979	\$ 6,245	\$ 25,943	\$ 2,723	\$ 104,211
Interest rate derivatives	1,920	731	2,151	9,821	292,748	307,371
Equity securities derivatives	761	-	-	-	-	761

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

June 30, 2025	0~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Derivative financial liabilities measured at FVTPL						
Foreign exchange derivatives						
Cash inflow	\$ 290,874,711	\$ 154,939,459	\$ 85,503,385	\$ 67,581,712	\$ 22,560	\$ 598,921,827
Cash outflow	290,570,871	155,096,567	85,546,773	67,672,251	22,560	598,909,022
Interest rate derivatives						
Cash inflow	\$ 26,303	\$ 72,231	\$ -	\$ 355,726	\$ 301,577	\$ 755,837
Cash outflow	26,303	72,231	-	355,726	301,577	755,837

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

June 30, 2024	0~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Derivative financial liabilities measured at FVTPL						
Foreign exchange derivatives						
Cash inflow	\$ 309,705,030	\$ 129,498,983	\$ 92,775,542	\$ 34,756,756	\$ 534,720	\$ 567,271,031
Cash outflow	312,629,302	131,789,528	93,504,896	35,422,561	537,195	573,883,482
Interest rate derivatives						
Cash inflow	\$ 5,179	\$ 5,104	\$ 15,053	\$ 5,075	\$ -	\$ 30,411
Cash outflow	5,179	5,104	15,053	5,075	-	30,411

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.

June 30, 2025	0~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Other guarantees	\$ 15,296,781	\$ 14,652,259	\$ 11,462,693	\$ 16,202,958	\$ 17,595,695	\$ 75,210,386
Non-cancelable loan commitments	11,895,206	65,153	2,066,240	1,952,214	20,239,803	36,218,616
Issued but unused letters of credit	25,806,626	3,434,574	718,680	52,909	-	30,012,789
Non-cancelable credit card commitments	85,049	170,098	255,147	57,078	-	567,372

December 31, 2024	0~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Other guarantees	\$ 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

June 30, 2024	0~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Other guarantees	\$ 17,533,741	\$ 18,210,763	\$ 9,064,062	\$ 16,734,329	\$ 16,963,886	\$ 78,506,781
Non-cancelable loan commitments	25,564,530	178,969	2,437,157	2,566,537	28,272,378	59,019,571
Issued but unused letters of credit	28,637,378	4,580,051	1,086,478	70,547	40,430	34,414,884
Non-cancelable credit card commitments	84,356	168,712	253,068	56,612	-	562,748

#### 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.

June 30, 2025					
Type of Financial Assets	The Book Value of Financial Assets Transferred	The Book Value of Related Financial Liabilities	The Fair Value of Financial Assets Transferred	The Fair Value of Related Financial Liabilities	Net Amount
Financial assets measured at FVTOCI					
Securities sold under repurchase agreements	\$ 3,974,350	\$ 3,955,500	\$ 3,974,350	\$ 3,955,500	\$ 18,850

December 31, 2024					
Type of Financial Assets	The Book Value of Financial Assets Transferred	The Book Value of Related Financial Liabilities	The Fair Value of Financial Assets Transferred	The Fair Value of Related Financial Liabilities	Net Amount
Financial assets measured at FVTOCI					
Securities sold under repurchase agreements	\$ 4,778,000	\$ 4,783,153	\$ 4,778,000	\$ 4,783,153	\$ 5,153

June 30, 2024					
Type of Financial Assets	The Book Value of Financial Assets Transferred	The Book Value of Related Financial Liabilities	The Fair Value of Financial Assets Transferred	The Fair Value of Related Financial Liabilities	Net Amount
Financial assets measured at FVTOCI					
Securities sold under repurchase agreements	\$ 7,925,300	\$ 7,929,084	\$ 7,925,300	\$ 7,929,084	(\$ 3,784)

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

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

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

##### 41.1 The Bank

	For the Six Months Ended June 30, 2025	
	Average Balance	Average Rate (%)
<b>Interest-bearing assets</b>		
Cash and cash equivalents - due from other banks	\$ 13,625,130	0.89
Due from the Central Bank and call loans to banks	89,748,226	2.08
Securities purchased under resell agreements	13,195,720	1.53
Credit card revolving balances	663,391	12.43
Discounts and loans (excluding non-performing loans)	890,706,718	2.86
Financial assets measured at FVTPL	2,111,222	4.40
Financial assets measured at FVTOCI - investments in debt instruments	221,612,950	3.27
Investments in debt instruments measured at amortized cost	186,152,766	1.17
<b>Interest-bearing liabilities</b>		
Due to the central bank and banks	20,787,134	3.39
Financial liabilities measured at FVTPL	2,775,822	6.24
Securities sold under repurchase agreements	4,417,200	1.14
Negotiable certificates of deposit	61,794,706	1.76
Demand deposits	273,869,233	0.58
Savings deposits	206,363,671	0.85
Time deposits	428,483,888	2.24
Time savings	278,773,258	1.70
Bank debentures	48,856,667	1.45
Other financial liabilities	8,686,989	4.85
Lease liabilities	789,411	1.39

For the Six Months Ended June 30, 2024		
	Average Balance	Average Rate (%)
<b>Interest-bearing assets</b>		
Cash and cash equivalents - due from other banks	\$ 17,798,683	1.00
Due from the Central Bank and call loans to banks	84,312,228	2.67
Securities purchased under resell agreements	8,737,417	1.29
Credit card revolving balances	629,185	12.35
Discounts and loans (excluding non-performing loans)	873,287,408	3.09
Financial assets measured at FVTPL	378,204	2.32
Financial assets measured at FVTOCI - investments in debt instruments	226,351,665	3.35
Investments in debt instruments measured at amortized cost	200,316,704	1.39
<b>Interest-bearing liabilities</b>		
Due to the central bank and banks	13,991,855	3.38
Financial liabilities measured at FVTPL	2,616,941	6.18
Securities sold under repurchase agreements	1,638,191	1.01
Negotiable certificates of deposit	53,172,918	1.52
Demand deposits	282,331,481	0.79
Savings deposits	207,916,185	0.80
Time deposits	457,060,939	2.31
Time savings	247,952,629	1.62
Bank debentures	56,365,054	1.34
Other financial liabilities	6,122,277	4.71
Lease liabilities	756,358	1.08

#### 41.2 SCB (HK)

For the Six Months Ended June 30, 2025		
	Average Balance	Average Rate (%)
<b>Interest-bearing assets</b>		
Call loans to banks	\$ 318,253,567	3.57
Discounts and loans (excluding non-performing loans)	266,596,224	5.41
Credit card revolving balances	113,052	28.49
Debt instruments (including investments in debt instruments measured at FVTOCI and amortized cost)	215,370,095	3.79
<b>Interest-bearing liabilities</b>		
Due to banks	22,864,192	3.19
Demand deposits	193,712,905	0.15
Time deposits	473,766,066	3.50
Bank debentures	10,094,234	6.55

	For the Six Months Ended June 30, 2024	
	Average Balance	Average Rate (%)
<b>Interest-bearing assets</b>		
Call loans to banks	\$ 338,874,592	4.41
Discounts and loans (excluding non-performing loans)	360,906,811	6.33
Credit card revolving balances	123,112	28.63
Debt instruments (including investments in debt instruments measured at FVTOCI and amortized cost)	192,024,502	2.97
<b>Interest-bearing liabilities</b>		
Due to banks	19,667,643	3.90
Demand deposits	199,727,285	0.37
Time deposits	545,241,938	4.39
Bank debentures	12,096,136	6.61

## 42. CAPITAL MANAGEMENT

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

In order to improve the financial base of the Bank, the ratio of own capital to risk assets shall not be less than 10.5% in accordance with the Rules of the Banking Act and relevant measures. If the capital adequacy ratio falls below required standards, the Central Regulator would restrict the earnings distribution.

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

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

	June 30, 2025	December 31, 2024	June 30, 2024
Analysis items			
Eligible capital			
Common equity	\$ 201,771,172	\$ 216,125,558	\$ 198,484,569
Other Tier I capital	11,391,700	11,778,137	11,738,889
Tier II capital	36,280,040	37,142,453	40,004,505
Eligible capital	<u>\$ 249,442,912</u>	<u>\$ 265,046,148</u>	<u>\$ 250,227,963</u>
Risk-weighted assets			
Credit risk			
Standardized approach	\$ 1,292,007,717	\$ 1,383,947,050	\$ 1,373,946,528
Credit valuation adjustment (CVA)	3,255,554	3,257,486	617,605
Internal rating based approach	N/A	N/A	N/A
Synthetic securitization	728,155	585,188	739,770
Operational risk			
Basic indicator approach	N/A	84,669,937	77,354,590
Standardized approach/ alternative standardized approach	65,393,890	N/A	N/A
Advanced measurement approach	N/A	N/A	N/A
Market risk			
Standardized approach	97,506,245	89,552,971	98,605,561
Internal models approach	N/A	N/A	N/A
Total risk-weighted assets	<u>\$ 1,458,891,561</u>	<u>\$ 1,562,012,632</u>	<u>\$ 1,551,264,054</u>

	June 30, 2025	December 31, 2024	June 30, 2024
Capital adequacy ratio	17.10%	16.97%	16.13%
Ratio of common equity to risk-weighted assets	13.83%	13.84%	12.80%
Ratio of Tier I capital to risk-weighted assets	14.61%	14.59%	13.55%
Leverage ratio	8.65%	8.67%	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  $\times 12.5$ .
- (3) Capital adequacy ratio = Eligible capital  $\div$  Total risk-weighted assets.
- (4) Ratio of ordinary equity to risk-weighted assets = Ordinary equity  $\div$  Total risk-weighted assets.
- (5) Ratio of Tier I capital to risk-weighted assets = (Ordinary equity + Other Tier I capital)  $\div$  Total risk-weighted assets.
- (6) Leverage ratio = Net value of tier I capital  $\div$  Net value of exposure measurement

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

43.1 Assets quality: As stated in Table 1

43.2 Concentration of credit risks

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

Ranking (Note 1)	June 30, 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)	10,538,038	5.59%	Q Group (hotel and property development)	11,959,234	7.92%
2	B Group (general management agency)	7,285,543	3.86%	R Group (hotel and property development)	9,874,403	6.54%
3	C Group (real estate development)	6,436,358	3.41%	S Group (property development)	6,354,972	4.21%
4	D Group (computer manufacturing)	6,354,622	3.37%	T Group (broadcasting and entertainment industry)	5,960,078	3.95%
5	E Group (general management agency)	5,860,943	3.11%	U Group (broadcasting and entertainment industry)	5,491,173	3.64%
6	F Group (electric power supply)	5,608,229	2.97%	V Group (investment holding)	5,113,290	3.39%
7	G Group (computer and peripheral manufacturing)	4,589,985	2.43%	W Group (property development)	5,067,656	3.36%
8	H Group (financial leasing)	4,133,278	2.19%	X Group (hotel and property development)	4,892,395	3.24%
9	I Group (residential and building development, leasing and sales)	3,975,404	2.11%	Y Group (property development, apparel and commodity trading)	4,887,336	3.24%
10	J Group (financial industry)	3,840,088	2.04%	Z Group (apparel and accessories import and export industry)	3,744,635	2.48%



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

Ranking (Note 1)	June 30, 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	B Group (general management agency)	8,267,638	4.42%	Q Group (hotel and property development)	13,327,142	8.66%
2	E Group (general management agency)	7,162,250	3.83%	R Group (hotel and property development)	11,335,377	7.36%
3	A Group (computer manufacturing)	6,009,581	3.21%	c Group (investment holding)	8,354,618	5.43%
4	N Group (real estate and leasing)	5,568,370	2.97%	S Group (hotel and property development)	8,330,396	5.41%
5	C Group (real estate development)	5,209,889	2.78%	X Group (property development)	7,461,663	4.85%
6	F Group (real estate development)	5,142,339	2.75%	Y Group (other holding)	6,854,099	4.45%
7	O Group (apparel manufacturing)	4,774,107	2.55%	T Group (broadcasting and entertainment industry)	6,618,955	4.30%
8	P Group (wiring and cable system manufacturing)	4,147,344	2.22%	a Group (property investment and development)	6,393,948	4.15%
9	D Group (metallic furniture manufacturing)	4,045,081	2.16%	W Group (property development, apparel and commodity trading)	6,332,222	4.11%
10	K Group (electric power supply)	3,662,970	1.96%	d Group (hotel and property development)	6,136,183	3.99%

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 Taiwan 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).

### 43.3 Interest rate sensitivity information

#### 43.3.1 The Bank

#### Interest Rate Sensitivity (NTD)

##### June 30, 2025

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

##### June 30, 2024

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

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

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

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

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

#### Interest Rate Sensitivity (USD)

##### June 30, 2025

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

**June 30, 2024**

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

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

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

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

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

**43.3.2 SCB (HK)****Interest Rate Sensitivity (USD)****June 30, 2025**

Item	1~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Interest rate sensitive assets	\$ 6,630,310	\$ 277,175	\$ 1,003,900	\$ 1,965,992	\$ 9,877,377
Interest rate sensitive liabilities	7,267,877	873,010	392,154	502,541	9,035,582
Interest rate sensitivity gap	( 637,567)	( 595,835)	611,746	1,463,451	841,795
Net equity					5,110,541
Ratio of interest rate sensitive assets to liabilities					109.32%
Ratio of interest rate sensitivity gap to net equity					16.47%

**June 30, 2024**

Item	1~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Interest rate sensitive assets	\$ 6,293,878	\$ 384,671	\$ 1,038,114	\$ 1,314,571	\$ 9,031,234
Interest rate sensitive liabilities	6,212,304	938,644	621,452	519,017	8,291,417
Interest rate sensitivity gap	81,574	( 553,973)	416,662	795,554	739,817
Net equity					4,778,849
Ratio of interest rate sensitive assets to liabilities					108.92%
Ratio of interest rate sensitivity gap to net equity					15.48%

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

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

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

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

## 43.4 Profitability

### The Group

Unit: %

Items		June 30, 2025	June 30, 2024
Return on total assets	Before income tax	0.83	0.64
	After income tax	0.75	0.50
Return on equity	Before income tax	7.80	6.28
	After income tax	6.99	4.86
Profit margin		32.48	23.97

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

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

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

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

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

## 43.5 Maturity analysis of assets and liabilities

### 43.5.1 The Bank

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

##### June 30, 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	\$ 1,164,061,142	\$ 182,002,609	\$ 103,448,410	\$ 61,446,506	\$ 67,326,569	\$ 122,641,511	\$ 627,195,537
Major cash outflow on maturity	1,480,512,118	52,916,931	83,883,074	220,650,700	214,540,474	292,420,604	616,100,335
Gap	( 316,450,976 )	129,085,678	19,565,336	( 159,204,194 )	( 147,213,905 )	( 169,779,093 )	11,095,202

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

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

#### (2) Maturity analysis of US Dollars assets and liabilities

##### June 30, 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	\$ 13,057,941	\$ 1,892,148	\$ 1,239,442	\$ 724,396	\$ 706,343	\$ 8,495,612
Major cash outflow on maturity	12,450,297	2,882,241	2,952,664	2,319,073	2,737,835	1,558,484
Gap	607,644	( 990,093 )	( 1,713,222 )	( 1,594,677 )	( 2,031,492 )	6,937,128

**June 30, 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	\$ 12,855,578	\$ 1,812,660	\$ 997,034	\$ 707,281	\$ 873,287	\$ 8,465,316
Major cash outflow on maturity	14,367,310	3,116,815	2,786,842	2,033,058	2,000,536	4,430,059
Gap	( 1,511,732)	( 1,304,155)	( 1,789,808)	( 1,325,777)	( 1,127,249)	4,035,257

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

**43.5.2 SCB (HK)****Maturity analysis of US Dollars assets and liabilities****June 30, 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	\$ 9,886,472	\$ 2,888,788	\$ 1,322,974	\$ 555,817	\$ 1,169,152	\$ 3,949,741
Major cash outflow on maturity	9,114,030	4,682,232	3,261,540	637,545	185,706	347,007
Gap	772,442	( 1,793,444)	( 1,938,566)	( 81,728)	983,446	3,602,734

**June 30, 2024**

	Total	For remaining period to maturity date				
		0~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year
Major cash inflow on maturity	\$ 9,138,382	\$ 2,278,919	\$ 1,301,396	\$ 647,420	\$ 1,608,863	\$ 3,301,784
Major cash outflow on maturity	8,371,353	3,774,755	2,935,404	869,550	442,655	348,989
Gap	767,029	( 1,495,836)	( 1,634,008)	( 222,130)	1,166,208	2,952,795

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

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

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

##### Balance Sheet of Trust Account

	June 30, 2025	June 30, 2024
Trust Assets		
Bank deposit	\$ 8,238,845	\$ 9,809,202
Short-term investments	110,940,417	111,169,850
Net asset value of collective investment trust fund	3,438,782	6,519,140
Accounts receivable	23,488	35,682
Land	34,128,842	31,193,693
Buildings and improvement, net	89,802	88,518
Construction in progress	15,851,025	9,178,644
Securities in custody	53,769,040	63,060,691
Other assets	62,247	60,473
Total trust assets	<u>\$ 226,542,488</u>	<u>\$ 231,115,893</u>
	June 30, 2025	June 30, 2024
Trust Liabilities		
Accounts payable	\$ 174	\$ 151
Depository of security payable	53,769,040	63,060,691
Trust capital	172,634,197	168,080,999
Accumulated (loss) gain and equity	139,077	(25,948)
Total trust liabilities	<u>\$ 226,542,488</u>	<u>\$ 231,115,893</u>

##### Trust Asset Lists

Item	June 30, 2025	June 30, 2024
Cash in banks	\$ 8,238,845	\$ 9,809,202
Short-term investment		
Funds	63,998,232	66,574,871
Bonds	37,315,325	34,626,920
Common stocks	4,360,947	4,413,754
Structured instruments	5,093,123	5,359,087
Preferred stock	172,790	195,218
Net asset value of collective trust accounts	3,438,782	6,519,140
Receivables	23,488	35,682
Land	34,128,842	31,193,693
Buildings and improvement, net	89,802	88,518
Construction in progress	15,851,025	9,178,644
Depository of securities	53,769,040	63,060,691
Other assets - principal deferred expense	62,247	60,473
Total	<u>\$ 226,542,488</u>	<u>\$ 231,115,893</u>

## Income Statements of Trust Account

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

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

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

### 45.1 The Bank

	June 30, 2025			December 31, 2024			June 30, 2024		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars	Foreign Currencies	Exchange Rate	New Taiwan Dollars	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<b>Financial assets</b>									
Cash and cash equivalents									
USD	\$ 152,518	29.2900	\$ 4,467,252	\$ 94,685	32.7900	\$ 3,104,721	\$ 96,287	32.4500	\$ 3,124,513
JPY	12,956,015	0.2035	2,636,549	21,229,026	0.2099	4,455,973	30,663,244	0.2016	6,181,710
HKD	661,549	3.7310	2,468,239	125,494	4.2235	530,023	129,049	4.1555	536,264
Due from the Central Bank and call loans to banks									
USD	847,204	29.2900	24,814,605	777,084	32.7900	25,480,584	820,384	32.4500	26,621,461
CNY	535,750	4.0900	2,191,218	896,950	4.4790	4,017,439	727,450	4.4450	3,233,515
VND	980,000,000	0.0011	1,078,000	1,220,000,000	0.0013	1,586,000	890,000,000	0.0013	1,134,928
Receivables									
USD	110,116	29.2900	3,225,298	47,318	32.7900	1,551,557	82,267	32.4500	2,669,564
JPY	809,271	0.2035	164,687	3,321,376	0.2099	697,157	1,264,084	0.2016	254,839
EUR	4,657	34.3600	160,015	2,792	34.1300	95,291	1,399	34.7100	48,553
Discounts and loans									
USD	3,550,829	29.2900	104,003,781	3,554,727	32.7900	116,559,498	3,556,697	32.4500	115,414,818
CNY	2,731,291	4.0900	11,170,980	2,763,883	4.4790	12,379,432	2,572,398	4.4450	11,434,309
JPY	18,176,902	0.2035	3,699,000	23,335,680	0.2099	4,898,159	10,209,495	0.2016	2,058,234
Financial assets at FVTOCI									
USD	3,679,637	29.2900	107,776,568	3,719,363	32.7900	121,957,913	3,609,038	32.4500	117,113,283
AUD	711,943	19.1450	13,630,149	580,549	20.3800	11,831,589	629,397	21.5250	13,547,770
EUR	156,672	34.3600	5,383,250	-	34.1300	-	-	34.7100	-
Financial assets measured at amortized cost									
USD	113,712	29.2900	3,330,624	208,452	32.7900	6,835,141	341,261	32.4500	11,073,919
AUD	100,000	19.1450	1,914,500	180,000	20.3800	3,668,400	180,000	21.5250	3,874,500
SGD	46,646	22.9950	1,072,625	39,803	24.1200	960,048	48,915	23.9100	1,169,558
Financial assets at FVTPL									
USD	77,574	29.2900	2,272,142	28,703	32.7900	941,171	80,263	32.4500	2,604,534
EUR	20,022	34.3600	687,956	112	34.1300	3,816	1,622	34.7100	56,300
JPY	1,895,787	0.2035	385,793	1,356,585	0.2099	284,747	2,220,667	0.2016	447,686
Equity investments under the equity method									
USD	3,136,140	29.2900	91,857,541	3,010,678	32.7900	98,720,132	2,902,376	32.4500	94,182,101
HKD	116,117	3.7310	433,233	110,218	4.2235	465,504	103,759	4.1555	431,171
<b>Financial liabilities</b>									
Payables									
USD	126,797	29.2900	3,713,884	82,220	32.7900	2,695,994	135,965	32.4500	4,412,064
EUR	8,233	34.3600	282,886	2,405	34.1300	82,083	2,384	34.4826	82,207
JPY	1,146,048	0.2035	233,221	924,017	0.2099	193,951	1,532,831	0.2016	309,019
Deposits from the central bank and other banks									
USD	627,784	29.2900	18,387,793	350,052	32.7900	11,478,205	95,689	32.4500	3,105,108
EUR	73,200	34.3600	2,515,152	5,414	34.1300	184,780	13,000	34.7100	451,230
VND	1,435,000,000	0.0011	1,611,218	2,084,000,000	0.0013	2,678,565	1,290,000,000	0.0013	1,645,008
Deposits and remittances									
USD	7,734,250	29.2900	226,536,183	7,721,088	32.7900	253,174,476	7,603,681	32.4500	246,739,448
JPY	93,062,046	0.2035	18,938,126	140,024,171	0.2099	29,391,073	178,848,742	0.2016	36,055,906
CNY	3,935,522	4.0900	16,096,285	3,825,535	4.4790	17,134,571	3,794,565	4.4450	16,866,841
Financial liabilities at FVTPL									
USD	104,470	29.2900	3,059,926	93,675	32.7900	3,071,603	116,621	32.4500	3,784,351
AUD	3,125	19.1450	59,828	56	20.3800	1,148	78,160	21.5250	1,682
CNY	3,890	4.0900	15,910	24	4.4790	107	108	4.4450	478



## 45.2 SCB (HK)

	June 30, 2025			December 31, 2024			June 30, 2024		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars	Foreign Currencies	Exchange Rate	New Taiwan Dollars	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<b>Financial assets</b>									
Cash and cash equivalents									
CNY	\$ 722,679	4.0900	\$ 2,955,757	\$ 734,533	4.4790	\$ 3,289,973	\$ 955,063	4.4450	\$ 4,245,255
USD	40,611	29.2900	1,189,496	28,528	32.7900	935,433	56,106	32.4500	1,820,640
EUR	12,332	34.3600	423,728	9,765	34.1300	333,279	10,504	34.7100	364,594
Due from the Central Bank and call loans to banks									
USD	3,337,738	29.2900	97,762,346	3,601,594	32.7900	118,096,267	2,280,009	32.4500	73,986,292
CNY	5,122,602	4.0900	20,951,442	5,881,190	4.4790	26,341,850	7,641,747	4.4450	33,967,565
Receivables									
USD	280,158	29.2900	8,205,828	41,838	32.7900	1,371,868	45,988	32.4500	1,492,311
CNY	10,173	4.0900	41,608	9,781	4.4790	43,809	183,354	4.4450	815,009
Discounts and loans									
USD	2,662,395	29.2900	77,981,550	3,205,673	32.7900	105,114,018	3,712,835	32.4500	120,481,496
CNY	3,730,064	4.0900	15,255,962	3,940,043	4.4790	17,647,453	4,512,528	4.4450	20,058,187
GBP	318,596	40.1600	12,794,815	361,209	41.1600	14,867,362	449,538	41.0300	18,444,544
<b>Financial liabilities</b>									
Payables									
USD	38,073	29.2900	1,115,158	14,261	32.7900	467,618	26,334	32.4500	854,538
CNY	5,510	4.0900	22,536	5,556	4.4790	24,885	10,348	4.4450	45,997
Deposits from the central bank and other banks									
USD	196,985	29.2900	5,769,691	318,564	32.7900	10,445,714	157,377	32.4500	5,106,884
CNY	1,271,210	4.0900	5,199,249	1,425,381	4.4790	6,384,281	1,420,161	4.4450	6,312,616
GBP	117,556	40.1600	4,721,049	26,556	41.1600	1,093,045	50,580	41.0300	2,075,297
Deposits and remittances									
USD	8,479,586	29.2900	248,367,074	8,545,108	32.7900	280,194,091	7,771,386	32.4500	252,181,476
CNY	9,178,645	4.0900	37,540,658	9,931,061	4.4790	44,481,222	11,468,626	4.4450	50,978,043

## 46. ADDITIONAL DISCLOSURES

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

46.1.1 Financing provided: Table 2.

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

46.1.3 Marketable securities held: Table 3.

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

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

46.1.6 Disposal of individual real estate at prices of at least NT\$300 million or 10% of the issued capital: Table 5.

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

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

46.1.9 Sale of non-performing loans: Table 6.

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

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

46.1.12 Names, locations, and other information of investees on which the Bank exercises significant influence: Table 7.

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

### 46.3 Investments in Mainland China:

46.3.1 Name of the investees in mainland China, main businesses and products, paid-in capital, method of investment, information on inflow or outflow of capital, percentage of ownership, investment income or loss, ending balance of investment, dividends remitted by the investee, and the limit of investment in mainland China: Table 8.

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

46.4 Significant transactions and the amount among the parent and its subsidiaries: Table 9.

46.5 Information of major shareholders:

list all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 10.

## 47. SEGMENT INFORMATION

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

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

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

**The operating segments information is as follows:**

For the Six Months Ended June 30, 2025					
	Taiwan	Hong Kong	Others	Other Adjustments	Total
Net interest income	\$ 8,375,081	\$ 9,102,041	\$ 1,008,996	\$ -	\$ 18,486,118
Non-interest income	4,516,295	4,692,824	190,697	( 2,128)	9,397,688
Net revenue	12,891,376	13,794,865	1,199,693	( 2,128)	27,883,806
Provisions for bad-debt expense, commitment and guarantee liability	( 904,315)	( 6,129,636)	( 316,087)	-	( 7,350,038)
Operating expenses	( 4,905,695)	( 4,652,048)	( 862,056)	( 7,306)	( 10,427,105)
Profit before income tax	<u>\$ 7,081,366</u>	<u>\$ 3,013,181</u>	<u>\$ 21,550</u>	<u>(\$ 9,434)</u>	<u>\$ 10,106,663</u>
For the Six Months Ended June 30, 2024					
	Taiwan	Hong Kong	Others	Other Adjustments	Total
Net interest income	\$ 9,768,439	\$ 7,702,414	\$ 996,595	\$ 1	\$ 18,467,449
Non-interest income	3,567,801	2,940,189	184,009	( 1,870)	6,690,129
Net revenue	13,336,240	10,642,603	1,180,604	( 1,869)	25,157,578
Provisions for bad-debt expense, commitment and guarantee liability	( 1,700,000)	( 5,912,362)	( 248,984)	-	( 7,861,346)
Operating expenses	( 4,878,659)	( 3,762,678)	( 863,523)	( 721)	( 9,505,581)
Profit before income tax	<u>\$ 6,757,581</u>	<u>\$ 967,563</u>	<u>\$ 68,097</u>	<u>(\$ 2,590)</u>	<u>\$ 7,790,651</u>

**Main operating clients**

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

**TABLE 1**

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

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

Date		June 30, 2025					December 31, 2024					June 30, 2024					
Business		Overdue Loans (Note 1)	Loans	NPL Ratio (%) (Note 2)	Loan Loss Reserve(LLR)	Coverage Ratio (Note 3)	Overdue Loans (Note 1)	Loans	NPL Ratio (%) (Note 2)	Loan Loss Reserve(LLR)	Coverage Ratio (Note 3)	Overdue Loans (Note 1)	Loans	NPL Ratio (%) (Note 2)	Loan Loss Reserve(LLR)	Coverage Ratio (Note 3)	
Corporate banking	Secured	\$ 2,040,391	\$ 297,900,316	0.68	\$ 4,036,249	197.82	\$ 1,266,590	\$ 298,278,932	0.42	\$ 3,404,233	268.77	\$ 2,079,320	\$ 301,250,695	0.69	\$ 3,696,414	177.77	
	Unsecured	202,986	235,363,565	0.09	2,458,815	1,211.32	182,754	245,978,450	0.07	2,520,594	1,379.23	2,935,761	238,081,308	1.23	4,446,410	151.46	
Consumer banking	Mortgage (Note 4)		830,010	317,333,552	0.26	5,185,930	624.80	667,686	314,694,197	0.21	4,939,240	739.75	439,343	303,778,214	0.14	4,698,980	1,069.55
	Cash cards		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Microcredit (Note 5)		27,987	3,156,831	0.89	46,070	164.61	14,735	3,439,961	0.43	39,302	266.73	15,846	3,831,134	0.41	43,523	274.66
	Others (Note 6)	Secured	123,230	35,885,282	0.34	422,706	343.02	124,000	36,294,913	0.34	404,209	325.98	47,313	34,349,388	0.14	359,056	758.90
		Unsecured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		3,224,604	889,639,546	0.36	12,149,770	376.78	2,255,765	898,686,453	0.25	11,307,578	501.27	5,517,583	881,290,739	0.63	13,244,383	240.04	
		Overdue Loans (Note 1)	Accounts Receivable	Delinquency Ratio (%) (Note 2)	Allowance for Credit Losses	Coverage Ratio (Note 3)	Overdue Loans (Note 1)	Accounts Receivable	Delinquency Ratio (%) (Note 2)	Allowance for Credit Losses	Coverage Ratio (Note 3)	Overdue Loans (Note 1)	Accounts Receivable	Delinquency Ratio (%) (Note 2)	Allowance for Credit Losses	Coverage Ratio (Note 3)	
Credit cards		7,412	2,828,063	0.26	50,561	682.15	9,313	3,320,790	0.28	50,304	540.15	9,723	4,436,340	0.22	58,571	602.40	
Accounts receivable factored without recourse (Note 7)		-	264,786	-	2,648	-	-	228,353	-	2,284	-	-	308,587	-	3,086	-	

Note 1: Non-performing loans represent the amounts of non-performing loans reported to the authorities and disclosed to the public, as required by the “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrued Loans.”

Non-performing credit card receivables represent the amounts of non-performing receivables reported to the authorities and disclosed to the public, as required by the Banking Bureau’s letter dated July 6, 2005 (Ref. No. 0944000378).

Note 2: Ratio of non-performing loans: Non-performing loans ÷ Outstanding loan balance.

Ratio of non-performing credit card receivables: Non-performing credit card receivables ÷ Outstanding credit card receivables balance.

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

Coverage ratio of credit card receivables: Allowance for possible losses on credit card receivables ÷ Non-performing credit card receivables.

Note 4: Housing mortgage is fully secured by property, which is purchased (owned) by the borrower, the spouse or the minor children of the borrower and the rights on mortgage are pledged to the financial institution, for the purpose of purchasing or decorating property.

Note 5: Small scale credit loans, as categorized in accordance with the Banking Bureau’s letter dated December 19, 2005 (Ref. No. 09440010950), are unsecured loans with small amounts exclusive of credit cards and cash cards.

Note 6: Other loans of consumer banking refer to secured or unsecured loans exclusive of housing mortgage, cash card, small scale credit loans and credit card.

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

TABLE 1-1

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

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

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

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

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

**TABLE 2**

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

**LOANS AND OTHER INFORMATION**

**JUNE 30, 2025**

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

No (Note1)	Lender	Borrower	Corresponding Account	Related Parties	The Highest Period Balance	Ending Balance	Actual Amount	Interest Rate Range	Capital Loan (Note 2)	Business Dealing Amount	Reasons of Short-term Financing	Allowance	Collateral		Individual Fund Loan and Limit (Note 3)	Total Loan Limit (Note 3)
													Name	Value		
1	SCSB Leasing (China) Co., Ltd.	A Co., Ltd.	Entrusted loan receivables	N/A	\$ 73,620	\$ 122,700	\$ 6,135	6%~11%	1	\$ 6,135	-	\$ 3,681	Real estate	\$ 246,627	\$ 352,943	\$ 882,357

Note 1: The numbers refer to the following:

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

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

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

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

1. Individual fund loans and limits

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

2. Capital loans and total loan limits

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

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

**TABLE 3**

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

**MARKETABLE SECURITIES HELD  
JUNE 30, 2025  
(In Thousands of New Taiwan Dollars)**

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

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

**TABLE 4**

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

**ACQUISITION OF REAL ESTATE AT PRICES REACHEING \$300 MILLION OR 10% OF THE ISSUED CAPITAL  
FOR THE SIX MONTHS ENDED JUNE 30, 2025  
(Amounts in Thousands of Hong Kong 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 SIX MONTHS ENDED JUNE 30, 2025  
(Amounts in Thousands of Hong Kong Dollars)

Seller	Property	Event Date (Note 1)	Acquisition Date	Carrying Amount (Note 2)	Transaction Amount (Note 2)	Payment Status	Disposal Gain or Loss (Note 2)	Counterparty	Relationship	Purpose of Disposal	Reference for price determination	Other Terms
The Shanghai Commercial Bank, Ltd.	Residential property, 33 Catchick Street, Kennedy Town, Western District, Hong Kong	2024/4/24	Not Applicable	HK\$ 539,572	HK\$ 891,889	Payment schedule is according to the terms of the contract	HK\$ 326,746	Eligible persons, persons or companies aged 18 or above who hold a valid Hong Kong Identity Card and a valid passport	Notes 3	Disposal of non- owner-occupied residential real estate of the subsidiary company	173 residential units, the total price is determined with reference by valuation company, appraisal as of March 31, 2024 Cushman & Wakefield: HK\$1,709,000 Jones Lang LaSalle: HK\$1,828,000	None

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

Note 2: The transaction amount represented the total for 106 residential units that were contracted and transferred between January 1, 2025 and June 30, 2025.

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

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

**SALE OF NON-PERFORMING LOANS  
FOR THE SIX MONTHS ENDED JUNE 30, 2025  
(Amounts in Thousands of Hong Kong 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 & SavingsBank and The Shanghai Commercial Bank	A Co., Ltd	Loan Claims	US\$20,030	-	-	In accordance with the terms of the debt assignment agreement	Non-related party

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

TABLE 7

## THE SHANGHAI COMMERCIAL &amp; SAVINGS BANK, LTD. AND SUBSIDIARIES

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

Investee Company	Location	Main Businesses and Products	Percentage of Ownership (%)	Carrying Amount	Investment Income (Loss) Recognized	Consolidated Investment (Note 2)				Note
						Shares (In Thousands)	Shares (Pro forma)	Shares (In Thousands)	Percentage of Ownership (%)	
<b>Financial business</b>										
SCSB Asset Management Ltd.	Taiwan	Purchase and management of creditor’s rights of financial institutions	100.00	\$ 1,620,337	\$ 3,668	160,000	-	160,000	100.00	
Paofoong Insurance Company Ltd.	Hong Kong	Insurance	40.00	433,234	23,282	500	-	500	100.00	
Shanghai Commercial Bank (HK)	Hong Kong	Banking and financial	57.60	86,724,245	1,662,791	11,520	-	11,520	57.60	
SCSB Leasing (China) Co., Ltd.	China	Leasing operation	100.00	865,078	( 18,543)	N/A	-	N/A	100.00	
AMK Microfinance Institution Plc.	Cambodia	Microfinance institution	99.99	5,356,640	10,121	10,946	-	10,946	99.99	
<b>Non-financial business</b>										
China Travel Service (Taiwan)	Taiwan	Travel services	99.99	381,485	( 17,425)	38,943	-	38,943	99.99	
SCSB Marketing Ltd.	Taiwan	Marketing	100.00	8,840	982	500	-	500	100.00	
Kuo Hai Real Estate Management	Taiwan	Building material distribution	30.00	-	-	3,000	-	3,000	30.00	
Shancom Reconstruction AG	Switzerland (Note3)	Securities investment	100.00	86,119,741	1,698,293	15	-	15	100.00	
Wresqueue Limitada	Liberia	Securities investment	100.00	379,951	5,459	176	-	176	100.00	
Empresa Inversiones Generales, S.A.	Panama	Securities investment	100.00	20,935	( 28)	1	-	1	100.00	
Krinein Company	Cayman Islands	Securities investment	100.00	30,242	532	2	-	2	100.00	
Safehaven Investment Corporation	Liberia	Securities investment	100.00	53,291	1,132	1	-	1	100.00	
Prosperity Realty Inc.	USA	Real estate services	100.00	43,141	866	4	-	4	100.00	
Silks Place Taroko	Taiwan	Hotel industry	45.00	195,186	( 12,806)	20,372	-	20,372	45.00	
CTS Travel International Ltd.	Taiwan	Travel services	100.00	7,024	1	600	-	600	100.00	

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

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

**TABLE 8**

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

**INVESTMENT IN MAINLAND CHINA**

**JUNE 30, 2025**

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

1. Investee company name, main business and products, total amount of paid-in capital, investment type, investment outflows and inflows, % ownership, investment gain (loss), carrying amount as of June 30, 2025 and inward remittance of earnings:

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type (Note 1)	Accumulated Outflow of Investment as of December 31, 2024	Investment Flows		Accumulated Outflow of Investment as of June 30, 2025	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of June 30, 2025 (Note 3)	Accumulated Inward Remittance of Earnings as of June 30, 2025
					Outflow	Inflow					
SCSB Leasing (China) Co., Ltd.	Leasing operation	\$ 878,700 US\$ 30,000	Note 1 (3)	\$ 878,700 US\$ 30,000	\$ - US\$ -	\$ - US\$ -	\$ 878,700 US\$ 30,000	100%	(\$ 18,543 ) (US\$ 582 )	\$ 865,078 US\$ 29,535	\$ -
Bank of Shanghai	Banking business approved by local government	58,105,428 US\$ 1,983,797	Note 4	3,302,242 US\$ 112,743	- US\$ -	- US\$ -	3,302,242 US\$ 112,743	3%	- US\$ -	18,492,724 US\$ 631,366	-
Shanghai Commercial Bank Ltd. - Shenzhen Branch	Banking business approved by local government	2,865,907 US\$ 97,846	Note 4	1,871,426 US\$ 63,893	- US\$ -	- US\$ -	1,871,426 US\$ 63,893	100%	( 52,499 ) (US\$ 1,648 )	2,746,728 US\$ 93,777	-
Shanghai Commercial Bank Ltd. - Shanghai Branch	Banking business approved by local government	3,146,510 US\$ 107,426	Note 4	1,895,561 US\$ 64,717	- US\$ -	- US\$ -	1,895,561 US\$ 64,717	100%	( 558,152 ) (US\$ 17,517 )	3,261,626 US\$ 111,356	-
The Shanghai Commercial & Savings Bank, Ltd. - Wuxi Branch	Banking business approved by local government	2,539,648 US\$ 86,707	Note 1 (1)	2,539,648 US\$ 86,707	- US\$ -	- US\$ -	2,539,648 US\$ 86,707	100%	25,863 US\$ 806	2,649,759 US\$ 90,466	-

2. Upper limit on investments in mainland China:

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

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

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

Note 2: Except for SCSB Leasing (China) Co., Ltd., the financial statements of the remaining entities are recognized based on audits conducted and certified by international accounting firms affiliated with domestic CPA firms.

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

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

**TABLE 9**

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

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE SIX MONTHS ENDED JUNE 30, 2025  
(In Thousands of New Taiwan Dollars)**

No	Company Name	Counterparty	Nature of Relationship	Intercompany Transaction			
				Financial Statement Item	Amount	Term	Percentage of Consolidated Total Gross Sales or Total Assets (Note 3)
0	The Shanghai Commercial & Savings Bank, Ltd.	SCSB Asset Management Ltd.	From parent company to subsidiary	Accounts payable	\$ 4	Note 4	-
0	The Shanghai Commercial & Savings Bank, Ltd.	SCSB Asset Management Ltd.	From parent company to subsidiary	Deposits and remittances	16,197	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	85	Note 4	-
0	The Shanghai Commercial & Savings Bank, Ltd.	SCSB Asset Management Ltd.	From parent company to subsidiary	Other non-interest income	479	Note 4	-
0	The Shanghai Commercial & Savings Bank, Ltd.	SCSB Marketing	From parent company to subsidiary	Accounts payable	10	Note 4	-
0	The Shanghai Commercial & Savings Bank, Ltd.	SCSB Marketing	From parent company to subsidiary	Deposits and remittances	13,148	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	92	Note 4	-
0	The Shanghai Commercial & Savings Bank, Ltd.	SCSB Marketing	From parent company to subsidiary	Other non-interest income	40	Note 4	-
0	The Shanghai Commercial & Savings Bank, Ltd.	SCSB Marketing	From parent company to subsidiary	Other non-interest income	42,327	Note 4	-
0	The Shanghai Commercial & Savings Bank, Ltd.	China Travel Service (Taiwan)	From parent company to subsidiary	Accounts payable	384	Note 4	-
0	The Shanghai Commercial & Savings Bank, Ltd.	China Travel Service (Taiwan)	From parent company to subsidiary	Deposits and remittances	172,941	Note 4	-
0	The Shanghai Commercial & Savings Bank, Ltd.	China Travel Service (Taiwan)	From parent company to subsidiary	Other liabilities	189	Note 4	-
0	The Shanghai Commercial & Savings Bank, Ltd.	China Travel Service (Taiwan)	From parent company to subsidiary	Interest expenses	1,257	Note 4	-
0	The Shanghai Commercial & Savings Bank, Ltd.	China Travel Service (Taiwan)	From parent company to subsidiary	Other non-interest income	360	Note 4	-
0	The Shanghai Commercial & Savings Bank, Ltd.	China Travel Service (Taiwan)	From parent company to subsidiary	Other general and administrative expenses	821	Note 4	-
0	The Shanghai Commercial & Savings Bank, Ltd.	CTS Travel International Ltd.	From parent company to subsidiary	Accounts payable	47	Note 4	-
0	The Shanghai Commercial & Savings Bank, Ltd.	CTS Travel International Ltd.	From parent company to subsidiary	Deposits and remittances	5,001	Note 4	-
0	The Shanghai Commercial & Savings Bank, Ltd.	CTS Travel International Ltd.	From parent company to subsidiary	Interest expenses	55	Note 4	-
0	The Shanghai Commercial & Savings Bank, Ltd.	Shancom Reconstruction AG	From parent company to subsidiary	Cash and cash equivalents	2,070,323	Note 4	0.09%
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	99,013	Note 4	-

(Continued)

No	Company Name	Counterparty	Nature of Relationship	Intercompany Transaction			
				Financial Statement Item	Amount	Term	Percentage of Consolidated Total Gross Sales or Total Assets (Note 3)
0	The Shanghai Commercial & Savings Bank, Ltd.	Shancom Reconstruction AG	From parent company to subsidiary	Accounts payable	\$ 221	Note 4	-
0	The Shanghai Commercial & Savings Bank, Ltd.	Shancom Reconstruction AG	From parent company to subsidiary	Deposits and remittances	67,021	Note 4	-
0	The Shanghai Commercial & Savings Bank, Ltd.	Shancom Reconstruction AG	From parent company to subsidiary	Interest expenses	1,556	Note 4	-
0	The Shanghai Commercial & Savings Bank, Ltd.	AMK Microfinance Institution Plc.	From parent company to subsidiary	Discount and loans	1,640,240	Note 4	0.07%
0	The Shanghai Commercial & Savings Bank, Ltd.	AMK Microfinance Institution Plc.	From parent company to subsidiary	Interest revenue	58,381	Note 4	-
1	SCSB Asset Management Ltd.	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Cash and cash equivalents	16,197	Note 4	-
1	SCSB Asset Management Ltd.	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Accounts receivable	4	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	85	Note 4	-
1	SCSB Asset Management Ltd.	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Other general and administrative expenses	493	Note 4	-
1	SCSB Asset Management Ltd.	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Right-of-use assets	1,973	Note 4	-
1	SCSB Asset Management Ltd.	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Lease liabilities	1,986	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	13,148	Note 4	-
2	SCSB Marketing	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Accounts receivable	10	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	92	Note 4	-
2	SCSB Marketing	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Other general and administrative expenses	40	Note 4	-
2	SCSB Marketing	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Right-of-use assets	7	Note 4	-
2	SCSB Marketing	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Lease liabilities	7	Note 4	-
2	SCSB Marketing	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Other non-interest income	42,327	Note 4	-
3	China Travel Service (Taiwan)	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Accounts receivable	384	Note 4	-
3	China Travel Service (Taiwan)	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Cash and cash equivalents	172,941	Note 4	-
3	China Travel Service (Taiwan)	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Other assets	189	Note 4	-
3	China Travel Service (Taiwan)	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Interest revenue	1,257	Note 4	-
3	China Travel Service (Taiwan)	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Other general and administrative expenses	360	Note 4	-
3	China Travel Service (Taiwan)	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Other non-interest income	821	Note 4	-
3	China Travel Service (Taiwan)	Shancom Reconstruction AG	From subsidiary to subsidiary	Cash and cash equivalents	111	Note 4	-
3	China Travel Service (Taiwan)	CTS Travel International Ltd.	From subsidiary to subsidiary	Other general and administrative expenses	427	Note 4	-

(Continued)

No	Company Name	Counterparty	Nature of Relationship	Intercompany Transaction			
				Financial Statement Item	Amount	Term	Percentage of Consolidated Total Gross Sales or Total Assets (Note 3)
4	CTS Travel International Ltd.	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Accounts receivable	\$ 47	Note 4	-
4	CTS Travel International Ltd.	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Cash and cash equivalents	5,001	Note 4	-
4	CTS Travel International Ltd.	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Interest revenue	55	Note 4	-
4	CTS Travel International Ltd.	China Travel Service (Taiwan)	From subsidiary to subsidiary	Service fee income	364	Note 4	-
4	CTS Travel International Ltd.	China Travel Service (Taiwan)	From subsidiary to subsidiary	Other non-interest income	63	Note 4	-
5	Shancom Reconstruction AG	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Due from the Central Bank and call loans to banks	2,070,323	Note 4	0.09%
5	Shancom Reconstruction AG	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Cash and cash equivalents	67,021	Note 4	-
5	Shancom Reconstruction AG	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Accounts receivable	221	Note 4	-
5	Shancom Reconstruction AG	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Cash and cash equivalents	99,013	Note 4	-
5	Shancom Reconstruction AG	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Interest revenue	1,556	Note 4	-
5	Shancom Reconstruction AG	SCSB Asset Management Ltd.	From subsidiary to subsidiary	Deposits and remittances	2	Note 4	-
5	Shancom Reconstruction AG	China Travel Service (Taiwan)	From subsidiary to subsidiary	Deposits and remittances	111	Note 4	-
6	AMK Microfinance Institution Plc.	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Call loans to banks	1,640,240	Note 4	0.07%
6	AMK Microfinance Institution Plc.	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Interest expenses	58,381	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 is 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.

**TABLE 10**

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

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

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

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